



inapplicable to, and incompatible with, the ISO's markets and transmission services.<sup>3</sup>

The ISO requests that the waivers be approved by the Commission without modification, suspension, or hearing, consistent with the other NAESB waivers that the Commission has granted the ISO.

## **I. BACKGROUND**

### **A. NAESB WEQ Version 002.1**

In Order No. 676-E, the Commission revised its regulations to incorporate by reference the latest version (Version 002.1) of the NAESB WEQ business practice standards. The Version 002.1 standards contain new standards, and modify certain existing standards in response to Commission requirements included in Order No. 890 and its progeny.<sup>4</sup> Many of the changes to business practice standards in Version 002.1, which support conditional firm transmission service and increased uniformity and transparency in the calculation and posting of Available Transfer Capability, were originally submitted by NAESB as Version 002.0 and were either carried forward or further revised by Version 002.1.<sup>5</sup> Other changes included in Version 002.1 addressed Order No. 890 requirements regarding capacity benefit margins (CBM) and rollover rights.<sup>6</sup> These Order No. 890 related standards are addressed in Version 002.1 by

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<sup>3</sup> Paragraph 130 of Order No. 676-E does not specify a deadline for submission of a waiver request. However, should the Commission interpret Order No. 676-E as requiring waiver filings to be filed before or concurrently with the January 3, 2011 filing deadline for changes to jurisdictional tariffs, the ISO respectfully petitions, pursuant to section 385.207 of the Commission's regulations, 18 C.F.R. 385.207 (2010), for relief from the filing deadline. Such relief should be granted to ensure the orderly compliance with Order No. 676-E.

<sup>4</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007); *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007); *order on reh'g and clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008).

<sup>5</sup> See, Order No. 890 at P 213 and 1078; Order No. 890-A at P 592.

<sup>6</sup> See, Order No. 890 at P 257 and 262; Order No. 890-A at P 68 and 83.

modifications to OASIS Business Practice Standards (WEQ-001), OASIS S&CP (WEQ-002), the OASIS Data Dictionary (WEC-003), the Coordinate Interchange Standards (WEQ-004), the Transmission Loading Relief – Eastern Interconnection Standards (WEQ-008), and the OASIS Implementation Guide (WEQ-013). With respect to clarifications provided by the Commission in Order Nos. 890 and 890-A regarding the grant of rollover rights to requests for redirect on a firm basis, Version 002.1 includes a new definition for Unexercised Rollover Rights in WEQ-001 and modifications to WEQ-001, WEQ-003 and WEQ-013.<sup>7</sup>

Version 002.1 also includes certain items unrelated to Order No. 890 compliance. Those modified standards include: (1) changes to certain ancillary services definitions appearing in the OASIS Business Practices Standards (WEQ-001) relating to the inclusion of demand response resources as potential providers of ancillary services; (2) changes to the Coordinate Interchange Standards (WEQ-004) to clarify differences in timing requirements for the Western Electricity Coordinating Council and other regions; and (3) changes to the Transmission Loading Relief – Eastern Interconnection Standards (WEQ-008).<sup>8</sup> The changes to WEQ-004 modify the Timing Table Interchange Timeline with Minimum Reliability-Related Response Times in Appendix D by dividing it into two tables – one providing the timing requirements for the Western Electricity Coordinating Council (WECC) and the other for all other interconnections. The timing tables also reflect changes for Generator-Provider Entity, Load-Serving

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<sup>7</sup> See, *Report of the North American Energy Standards Board*, FERC Docket Nos. RM05-5-000 and RM05-17-000 (Feb. 19, 2009) at pg. 7.

<sup>8</sup> Order No. 676-E at P 2, 7, 10 and 14.

Entity, and Purchase-Selling Entity market assessments so that they are concurrent with the Balancing Authority and Transmission Service Provider reliability assessments.<sup>9</sup>

The Commission in Order No. 676-E did not revise its regulations to incorporate by reference other Version 002.1 NAESB standards, including: (1) Manual Time Error Correction Standard (WEQ-006); (2) Standards of Conduct for Electric Transmission Providers (WEQ-009), (3) Contracts Related Standards (WEQ-010); (4) Gas/Electric Coordination (WEQ-011); and (5) eTariff Related Standards (WEQ-014).<sup>10</sup>

## **B. Prior ISO Waivers**

The ISO's ancillary service and imbalance energy markets and financial transmission reservation model diverge significantly from the business model and the physical transmission services articulated in the *pro forma* OATT and contemplated by many of the NAESB business requirement standards. These differences have led the Commission to grant a series of waivers to the ISO from the associated NAESB business practice standards, including:

- *Pacific Gas & Electric Co., et al.*, 81 FERC ¶ 61,122 (1997) (FERC Docket No. EC96-19-000) - Commission initially granted the ISO an interim waiver of the OASIS requirements at the time it approved the ISO's operations as an independent transmission system operator. The Commission noted as relevant factors in this determination the lack of reserved firm and non-firm point-to-point transmission service under the ISO Tariff and the incompatibility of the ISO computer communication system with the

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<sup>9</sup> See, *Report of the North American Energy Standards Board*, FERC Docket Nos. RM05-5-000 and RM05-17-000 (Feb. 19, 2009) at pg. 8.

<sup>10</sup> Order No. 676-E at fn. 16.

OASIS standards and protocols incorporated into the Commission's regulations, 18 C.F.R. § 37 et seq.<sup>11</sup>

- *California Independent System Operator Corporation*, 89 FERC ¶ 61,153, (1999) (FERC Docket No. ER98-3594-000) - Commission extended the interim waivers of the OASIS upon approval of the ISO's Firm Transmission Rights proposal. The waiver remains in effect today.
- *California Independent System Operator Corporation*, 117 FERC ¶ 61,196 (2006) (FERC Docket No. ER06-1094-009) (2006 Waiver Order) – Commission accepted the ISO's request for a comprehensive waiver of OASIS standards WEQ-001 through WEQ-003 adopted in Order No. 676.<sup>12</sup> This waiver was limited to the period until implementation of the ISO's new market design based on locational marginal pricing.
- *California Independent System Operator Corporation*, 123 FERC ¶ 61,180 (2008) (FERC Docket No. OA08-12-000) (Order No. 890 Compliance Order) – Commission accepted the ISO's compliance filing for Order No. 890, including the waivers to the OASIS posting requirements and associated NAESB business practice standards pertaining to denials of service, the designation of network resources, and the posting of system impact studies, facilities studies and studies performed for the transmission provider's own network resources, among others.<sup>13</sup>
- *California Independent System Operator Corporation*, 125 FERC ¶ 61,380 (2008) (FERC Docket No. ER08-1591-000) (676-C Waiver Order)– Commission issued a letter order, dated December 30, 2008, granting the ISO's requests for waivers of the revised OASIS requirements and associated business practice standards adopted in Order No. 676-C,

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<sup>11</sup> Although it granted the interim waiver, the Commission expressly found that the ISO's communication system "meets the needs of . . . Market Participants, including the [ISO's] transmission customers." (PG&E Order at 61,460.)

<sup>12</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676, 71 Fed. Reg. 26,199, FERC Stats. & Regs., Regulations Preambles ¶ 31,216 (2006).

<sup>13</sup> The ISO additionally requested a partial waiver of the Order No. 890 requirement that transmission providers post load data (*i.e.*, load forecasts and daily peak load) for each load-serving entity or control area in their footprint. The ISO instead proposed to post the load data for each of the three former investor-owned utility regions that now comprise the ISO control area. The Commission granted the requested waiver of the load data posting requirements and accepted the ISO's proposal to post such data for the three regions. (See also, *California Independent System Operator Corporation*, 126 FERC ¶ 61,099 (2009) [accepting compliance filing regarding, among other things, participation of non-generating resources in ISO ancillary services markets].)

including waiver of WEQ-001, WEQ-002, WEQ-003, WEQ-008 and WEQ-013.<sup>14</sup>

- *California Independent System Operator Corporation*, 126 FERC ¶ 61,260 (2009) (FERC Docket No. ER09-572-000) (New Market Order) – Commission granted ISO request for waivers of, among other provisions, NAESB WEQ-001, WEQ-002, WEQ-003, and WEQ-013 under the ISO's redesigned locational-marginal pricing market effective April 1, 2009.<sup>15</sup>

## **II. THE COMMISSION SHOULD GRANT WAIVER OF THOSE NAESB BUSINESS PRACTICE STANDARDS THAT ARE INAPPLICABLE TO OR AND INCOMPATIBLE WITH THE ISO'S BUSINESS MODEL**

### **A. Request for Renewed Waivers**

In Order No. 676, the Commission stated that utilities that have existing waivers of certain OASIS standards and related NAESB business practice standards may reapply for such waivers using simplified procedures. These procedures require an applicant to identify the specific standards from which it seeks waiver and provide the caption, date, and docket number of the proceeding in which the entity received the waiver. In addition, the applicant must certify that the circumstances warranting the waivers have not changed.<sup>16</sup>

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<sup>14</sup> Order No. 676-C, *Standards for Business Practices and Communication Protocols for Public Utilities*, 124 FERC ¶ 61,070 (2008). In Order No. 676-C, the Commission revised its regulations to incorporate by reference the latest version (Version 001) of the WEQ standards. These updated WEQ standards, in pertinent part: (1) revised the OASIS business practice standards (WEQ -001 through WEQ-003); (2) added new standards on transmission loading relief for the Eastern Interconnection (WEQ-008); (3) added new standards for public key infrastructure (WEQ-012); and (4) added a new OASIS implementation guide (WEQ-013).

<sup>15</sup> The ISO also received waiver of the following specific OASIS regulations: 18 C.F.R. § 37.2(b); 18 C.F.R. § 37.6(a)(1); 18 C.F.R. § 37.6(a)(4-5); 18 C.F.R. § 37.6(b)(1); 18 C.F.R. § 37.6(b)(2)(i) and (ii); 18 C.F.R. § 37.6(b)(3)(i), (ii), and (iii); 18 C.F.R. § 37.6(b)(2)(iii); 18 C.F.R. § 37.6(c)(1, 3-5); 18 C.F.R. § 37.6(c)(2); 18 C.F.R. § 37.6(d)(1); 18 C.F.R. § 37.6(d)(2-5); 18 C.F.R. § 37.6(e)(1-3); 18 C.F.R. § 37.6(f); 18 C.F.R. § 37.6(g)(1-4); 18 C.F.R. § 37.6(h)(1-4); 18 C.F.R. § 37.6(i)(1-4); and 18 C.F.R. § 37.6(j)(1-2)

<sup>16</sup> Order No. 676 at P 79.

The ISO requests renewed waivers of the Version 002.1 standards which overlap prior waivers granted by the Commission to the ISO for earlier versions of NAESB business practice standards. Specifically, the ISO requests comprehensive waivers of WEQ-002, WEQ-003, WEQ-008, and WEQ-013 consistent with the New Market Order<sup>17</sup> and 676-C Waiver Order. While some of the earlier standards in the foregoing have been modified in Version 002.1, the revised standards remain strictly focused on transmission providers that offer physical reservation transmission service or, in the case of WEQ-008, transmission providers operating within the eastern interconnection. The ISO is also requesting waiver of all WEQ-001 standards for which it previously received waiver.<sup>18</sup> Thus, the circumstances warranting Commission waiver of the foregoing business practice standards under the ISO's new market design have not changed. Accordingly, the updated or modified Version 002.1 standards for which the ISO seeks waiver continue to be inapplicable to the ISO's markets and transmission service, and compliance with those NAESB business practices by the ISO would not serve to enhance information available to ISO market participants.

## **B. Request for Waiver of Newly Adopted Standards**

The OASIS requirements and WEQ business practice standards are based on the transmission service model embodied in the *pro forma* OATT.<sup>19</sup> That service model

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<sup>17</sup> In the New Market Order, the Commission found that "the standards at issue are incompatible with the transmission services provided under both the CAISO's current tariff and the [new market], for the reasons the CAISO states. We also find that the CAISO's proposed alternative OASIS postings are consistent with our OASIS standards and business practices." (New Market Order at P 29.)

<sup>18</sup> As discussed further below, the ISO is not seeking waiver of all new WEQ-001 standards included in Version 002.1. The specific standards for which the ISO is not seeking waiver and therefore included in its concurrent compliance filing are: 001-13.1.1, 001-13.1.5, 001-16.

<sup>19</sup> In its Order No. 890 compliance filing filed on October 11, 2007 in Docket No. OA08-12, the CAISO demonstrated that its "daily" transmission service model differed substantially from the

contemplates that electric utilities provide two types of transmission service -- network service and (firm and non-firm) point-to-point service. Under the *pro forma* OATT service model, customers submit formal transmission service requests to the transmission provider in order to reserve capacity. Users may also, on a first-come first-served basis, reserve available transmission capacity on a long-term basis. The *pro forma* OATT service model additionally accommodates resale transactions (*i.e.*, reassignments) and transfers of transmission reservation rights, as well as firm and non-firm redirects.

The ISO does not offer the two distinct transmission services (*i.e.*, network service and point-to-point service) contemplated in the *pro forma* OATT. Rather, the ISO provides a single service, available daily to all eligible customers on a non-discriminatory basis.<sup>20</sup> Energy transmitted under the ISO Tariff is treated as “new firm use” and scheduled on a day-to-day basis by transmission customers (with the exception of certain transactions scheduled pursuant to contracts that preceded the existence of the ISO, referred to as Existing Contracts). All users of the ISO Controlled Grid must schedule their use each day and cannot reserve available transmission capacity beyond the day-ahead timeframe.<sup>21</sup> There are no long-term reservations of

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transmission service model in the *pro forma* OATT and that the transmission service-related changes (*e.g.*, changes related to network and point-to-point transmission services, capacity reassignments, and roll-over rights) adopted in Order No. 890 did not apply to, and/or were incompatible with, the ISO’s service model. The ISO also demonstrated that its transmission service model was consistent with or superior to the *pro forma* OATT service model as revised in Order No. 890. The Commission accepted the ISO’s compliance demonstration on these matters. (*California Independent System Operator Corporation*, 123 FERC ¶ 61,180 at 62,216 (2008).)

<sup>20</sup> The open access transmission service provided by the ISO is essentially a network type service, but with more flexibility than the network service under the *pro forma* OATT.

<sup>21</sup> Under the ISO’s Commission-approved service model, there are no long-term reservations of transmission capacity or rollover rights. As the Commission has recognized, the ISO’s “proposal to schedule transmission in a day-ahead and hour-ahead basis is not compatible with the long-term

physical transmission capacity under the ISO's service model, and there is no application process for transmission service requests, use of capacity benefit margins, or performance of transmission service request studies.

Under the ISO's existing market service model, Scheduling Coordinators submit bids (including self-schedules) for the supply or demand for energy to the ISO. Scheduling Coordinators have equal access to all available capacity every day and can make changes to their bids on an hourly basis. In contrast to traditional transmission services provided under the *pro forma* OATT, customers that take service under the new market need not formally designate network resources. The ISO utilizes a bid-based, security constrained economic dispatch/redispach process to balance real-time control area requirements, utilize the full capability of the grid to maximize the transmission service that can be provided to eligible customers, provide customers with maximum flexibility to schedule transactions, and ration capacity when demand for transfer capability exceeds supply. Thus, the ISO's transmission service provides comparable treatment to all customers and encourages efficient and flexible use of the transmission system.

Also, the ISO does not offer conditional firm transmission service. It was not required to do so by Order No. 890<sup>22</sup> and does not undertake that type of service under

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reservation of discrete physical transmission rights." (*PG&E* at 61,472.) Accordingly, the Commission has ordered customers to take service under the ISO Tariff upon contract expiration. (*Id.* at 61,463-65.) The Commission found that the right of first refusal provision under Order No. 888 does not apply to customers in the ISO service territory because the service model under the Order No. 888 *pro forma* OATT does not apply to the ISO. (*Sacramento Municipal Utility District v. Pacific Gas & Electric Company, et al.* 105 FERC ¶ 61,237 (2004), *aff'd sub nom., Sacramento Municipal Utility District v. FERC*, 428 F.3d 294 (D.C. Cir. 2005).)

<sup>22</sup> In Order No. 890, the Commission stated that it would be inappropriate to require ISOs and RTOs with real-time energy markets to provide conditional firm point-to-point service. (Order No. 890 at p 992.) Because the ISO has a real-time energy market it is not required to provide conditional firm point-to-point

its existing market.

Further, in contrast to traditional transmission services provided under the *pro forma* OATT, ISO customers that take service need not formally designate and un-designate network resources. The ISO utilizes a bid-based, economic dispatch/re-dispatch process to balance real-time Balancing Authority Area requirements, utilizes the full capability of the grid to maximize the transmission service that can be provided to eligible customers, provides customers with maximum flexibility to schedule transactions, and rations capacity when demand for transfer capability exceeds supply.

In short, the ISO's transmission service model does *not* have any of the following features typically associated with *pro forma* OATT transmission service: separate network and point-to-point transmission services; non-firm transmission services; formal transmission service requests (and applications); transmission service reservations; resales (or reassignments); redirects; network resources; or transfers of transmission reservation rights, capacity benefit margins, or rollovers rights.

Consistent with the foregoing discussion, the ISO requests that the Commission grant waivers of several new standards adopted in Order No. 676-E and included in Version 002.1 as follows:

- **WEQ-001-2.5.10 (Generator Imbalance Service definition)** - The ISO's Commission approved tariff does not have the *pro forma* OATT Schedule 9 Generator Imbalance provisions and thus this standard is inapplicable.<sup>23</sup>
- **WEQ-001-4.7.1 through WEQ-001-4.7.3.5, WEQ-001-4.9.1 through WEQ-001-4.9.3, WEQ-001-4.10, et seq. and WEQ-001-4.12, et seq. (On-Line Negotiation and Confirmation Process - Negotiations Without**

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service. The Commission accepted this aspect of the ISO's compliance demonstration in approving the CAISO's Order No. 890 compliance filing filed on October 11, 2007 in Docket No. OA08-12-000. (See *California Independent System Operator Corporation*, 123 FERC ¶ 61,180 at 62,214-15 (2008).)

<sup>23</sup> Order No. 890 Compliance Order at P 25.

**Competing Bids)** - The Commission has granted the ISO waivers of WEQ-001 and the underlying OASIS posting requirements involving physical transmission reservations as being incompatible with the ISO's transmission service which does not use negotiations or confirmations related to physical reservations. These standards augment processes that are inapplicable to the ISO.

- **WEQ-001-13.1.2 (Standards of Conduct Link)** - This standard mandates the posting of information required to be provided pursuant to the Standards of Conduct for Transmission Providers. The ISO is exempt from 18 C.F.R. Part 358; therefore, eliminating the justification for posting this information.
- **WEQ-001-13.1.3 (Performance Metrics Link)** – This standard mandates the posting of information required by 18 C.F.R. §§ 37.6(h), (i) and (j)(2). The Commission granted the ISO waivers of these OASIS regulations and they remain inapplicable because the ISO (1) does not have a formal transmission service request process and therefore does not have any grants or denials of service to report and (2) redispatches the transmission system to meet load and support requests for firm transmission service using its bid-based, security-constrained economic dispatch/redispatch process different than the limited redispatch services included in the *pro forma* OATT.<sup>24</sup>
- **WEQ-001-14, et seq. (Zero ATC Narrative), WEQ-001-15, et seq. (ATC Change Narrative)** – In the ISO's system, ATC reflects the existence of uncongested transmission capacity on external paths scheduled through ISO markets.<sup>25</sup> Yearly and monthly ATC values, which are the subject of these standards, are not relevant to ISO transactions given the absence of any transmission reservation within this time frame. , Additionally, these standards require the posting of this information using the “system data” template, which the ISO *does not* use and which the Commission has not required the ISO to use. The ISO has been granted waiver from WEQ-002-4.3, *et seq.*, which defines the OASIS templates and, therefore, waiver of this standard should be granted.<sup>26</sup>
- **WEQ-001-17, et seq. (Actual and Forecasted Load)** - This standard requires the posting of actual daily peak load and final forecasted load on a system-wide basis and, if the ISO creates a coincident forecast by aggregating historic control areas, also by historic load area. This load information is to be posted using the OASIS systemdata templates. While

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<sup>24</sup> See, New Market Order at fn. 25 and at P 29.

<sup>25</sup> ATC postings for the ISO are advisory projections calculated after the ISO markets close, and transactions are scheduled, based on calculations performed by the ISO's day-ahead and real-time market software. The ISO therefore does not calculate ATC for periods further than 72 hours ahead.

<sup>26</sup> See, 2006 Waiver Order at P 10 and New Market Order at P 29.

the ISO posts compliant information,<sup>27</sup> it does not do so using the “systemdata” template. The ISO has been granted waiver from WEQ-002-4.3, *et. seq.*, which defines the OASIS templates and, therefore, waiver of this standard should be granted.<sup>28</sup>

- **WEQ-001-18 (Postback Requirements)** - This standard requires Transmission Providers to incorporate Postbacks of redirected services in its ATC postings. The ISO’s market model does not use redirect requests and the Commission has not required the ISO to do so. Therefore the ISO does not have Postbacks to incorporate in its ATC postings.
- **WEQ-001-19 (Grandfathered Agreements)** - This standard requires Transmission Providers to identify the aggregate value for the grandfathered agreements component of its ATC calculations. The ISO incorporates grandfathered agreements in its ATC calculation on OASIS through the posting of hourly unscheduled transmission rights capacity. The hourly unscheduled transmission rights capacity reduces otherwise available transfer capability so that the market is aware of the impact of reservation of existing rights on the capacity available for market participant scheduling. The Commission has previously approved the method by which the ISO accounts for the impact of ETC on the ATC calculation as reflected in OASIS posting of hourly unscheduled transmission rights.<sup>29</sup> Moreover, the ISO accomplishes this posting without the use of the systemdata template as a basis to further support waiver of this standard.
- **WEQ-001-20 (Rollover Rights)** - This standard requires Transmission Providers to post information relevant to rollover rights upon approving a Long-Term Firm Point-to-Point request with rollover rights. The ISO’s Commission approved transmission service does not provide for Long-Term Point-to-Point Transmission Service or rollover rights.
- **WEQ-001-21 (Granting and Managing a CCO Reservation)** - This standard requires Transmission Providers to post information regarding granting and managing a Conditional Curtailment Option. The ISO’s Commission-approved transmission service does not include provisions

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<sup>27</sup> As noted in its filing supporting the New Market Order, the ISO’s “System Demand” category on OASIS provides demand forecasts at the ISO system level and for each Transmission Access Charge (“TAC”) area (former control areas of the investor-owned utilities), for time periods ranging from seven days in advance of the Trading Day to a five-minute interval. The earliest forecast is the ISO’s seven-day advance peak demand forecast for its Balancing Authority Area and for each TAC area. Other available information for the ISO system includes a 24-hour demand forecast, a two-day ahead hourly forecast, a Day Ahead Market hourly forecast, a five-minute Real Time Market load forecast, and actual hourly load. For each TAC area, the ISO also posts a two-day ahead hourly forecast, Day Ahead Market hourly forecast, and hourly actual load.

<sup>28</sup> See, 2006 Waiver Order at p 10 and New Market Order at P 29.

<sup>29</sup> *California Independent System Operator Corporation*, 126 FERC ¶ 61,099 (2009) at P 33.

for conditional firm service. Order No. 890 found that condition firm serve is unnecessary for ISOs/RTOs such as the ISO, which administer real-time energy markets.<sup>30</sup> Further, waiver is supported by the language of Appendix 001-C to WEQ-001, which provides that conditional firm service-related requirements do not apply to RTOs and ISOs with real-time energy markets.

- **WEQ-001-22 (Information to Audit Usage of CBM)** - This standard requires Transmission Providers to post all scheduled use of CBM and curtailments of these schedules. As recognized in Section L.1.7 of Appendix L of the ISO Tariff, the ISO does not set-aside transmission capacity as CBM and, therefore, CBM is not relevant within the ISO's market design.
- **WEQ-001-D (Postback Conditions for Use in Calculation of ATC or AFC, as Appropriate)** - This standard provides a table identifying "potential Postback and the conditions for use by the Transmission Provider in the determination of firm and non-firm ATC or AFC." As explained above for WEQ-001-18, the ISO's system does not use redirect requests. Therefore, the ISO does not have Postbacks to incorporate in its ATC postings.
- **WEQ-002-4.3.6.2.1 (Interface Requirements - Renewal Positions (rollover))** – The ISO's Commission-approved transmission service does not include rollover right provisions. The ISO therefore does not have information to post pursuant to this standard.
- **WEQ-002-4.3.6.2.2 (Interface Requirements - Conditional Curtailment Option Provisions)** - The ISO's Commission-approved transmission service does not include provisions for conditional firm service. Moreover, waiver is supported by the Appendix 001-C language, which provides that Conditional Firm Service-related requirements do not apply to RTOs and ISOs with real-time energy markets.
- **WEQ-004-18 (Coordinate Interchange for Capacity Benefit Margin)** - This standard requires "that all scheduled use of a Transmission Provider's transmission capacity set aside for Capacity Benefit Margin in support of energy imports into a load Balancing Authority Area served by the Transmission Provider shall be uniquely represented in all Requests for Interchange submitted to the IA." Under the express language of its tariff, the ISO does not set-aside transmission capacity as CBM. Therefore this provision is inapplicable to the ISO and its service model.
- **WEQ-008-3.5.3 (Physical Curtailment of Interchange Transactions – Eastern Interchange)** – This standard is inapplicable to the ISO in the WECC.

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Order No. 890 at P 13.

These business practice standards are inapplicable to and incompatible with the ISO's service model.

### **III COMMUNICATIONS**

Please address communications concerning this filing to the following person:

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### **IV. SERVICE**

The ISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, and all parties with Scheduling Coordinator Agreements under the ISO Tariff. In addition, the ISO has posted a copy of this filing on the ISO Website.

**V. CONCLUSION**

For the reasons stated above, the CAISO respectfully requests that the Commission grant this petition for waiver.

Respectfully submitted,

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