

September 20, 2010

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

**Re: California Independent System Operator Corporation  
Docket Nos. ER10-1524-000  
Compliance Filing**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Part 35 of the regulations of the Federal Energy Regulatory Commission (FERC or Commission), 18 C.F.R. Part 35, and consistent with Order No. 714 regarding electronic filing of tariff submittals, the California Independent System Operator Corporation (ISO) hereby electronically submits this filing in compliance with the Order Accepting Tariff Revisions Subject to Compliance Filing issued by the Commission on August 20, 2010.<sup>1</sup> In accordance with the implementation of the Commission's new electronic filing process for tariff submittals, the ISO is resubmitting the original tariff language to be included into the electronic version of the ISO's Fifth Replacement FERC Electric Tariff, along with the tariff modifications required by the August 20 Order.

**I. Background**

On June 22, 2010, the ISO filed proposed modifications to the ISO Tariff in order to extend the Standard Capacity Product (SCP) to resource adequacy resources with historical qualifying capacity that had been temporarily exempted from the SCP provisions.<sup>2</sup> In the August 20 Order, the Commission accepted the ISO's proposed tariff amendments subject to the additional tariff modifications discussed below. The Commission directed the ISO to submit the required tariff modifications within 30 days of the date of the order.

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<sup>1</sup> *California Indep. Sys. Operator Corp.*, 132 FERC ¶ 61,148 (2010) ("August 20 Order").

<sup>2</sup> Capitalized terms not otherwise defined herein have the same meaning as set forth in the ISO Tariff, Appendix A, Master Definitions Supplement.

## **II. Summary of Tariff Modifications**

The August 20 Order directed the ISO to modify the tariff language proposed in the ISO's initial filing as follows: 1) to include August 22, 2010 as the deadline date for supply contracts for the resource adequacy resources with historical qualifying capacity to be eligible for grandfathering and as the effective date for certain of the tariff provisions; 2) to revise Section 40.9.6 or include a definition of the term "SCP" as used in that provision; and 3) accept clerical revisions to ISO Tariff Section 40.9.4.2.

In this compliance filing, the ISO amends Tariff Sections 40.9.2(2), (3), and (4) (Exemptions), Section 40.9.4.2 (Availability Calculation for a Resource Adequacy Resource), and Section 40.9.6 (Non-Availability Charges And Availability Incentive Payments) to effectuate the changes required by the August 20 Order. The ISO respectfully requests that the Commission accept these tariff modifications as complying with the directive in the August 20 Order.

## **III. Materials Provided in the Instant Compliance Filing**

The following documents, in addition to this transmittal letter, support the instant filing:

Attachment A	Clean sheets incorporating the red-lined changes contained in Attachment B
Attachment B	Red-lined changes to the Tariff to implement the revisions contained in this filing

## **IV. Effective Date**

The ISO requests that the Commission approve the tariff modifications submitted in this compliance filing to Tariff Sections 40.9.2(2) and 40.9.2(3) to be effective on August 22, 2010. That is the date designated in the August 20 Order for these grandfathering provisions to take effect. The ISO requests that the remainder of the additional tariff modifications in this compliance filing become effective on January 1, 2010, which is the effective date for these provisions that was approved in the Commission's August 20 Order.

## V. Conclusion

The ISO respectfully requests that the Commission accept the instant filing as complying with the directives of the August 20 Order and approve the tariff modifications to be effective on the dates requested.

Respectfully submitted,

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Attorneys for the California Independent  
System Operator Corporation

Dated September 20, 2010

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned docket.

Dated at Folsom, California on this 20<sup>th</sup> day of September, 2010.

*/s/ Anna Pascuzzo*

**Attachment A – Clean Tariff**  
**Standard Capacity Product II Compliance Filing**  
**California Independent System Operator Corporation**  
**Fifth Replacement FERC Electric Tariff**

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#### **40.9.2 Exemptions**

The following exemptions apply to the CAISO's Availability Standards program of this Section 40.9:

- (1) Resources with a Pmax less than one (1.0) MW will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9.
- (2) Capacity under a resource specific power supply contract that existed prior to June 28, 2009 and Resource Adequacy Capacity that was procured under a contract that was either executed or submitted to the applicable Local Regulatory Authority for approval prior to June 28, 2009, and is associated with specific Generating Units or System Resources, will not be subject to Non-Availability Charges or Availability Incentive Payments. Such contracted Resource Adequacy Capacity, except for non Resource-Specific System Resources, will be included in the development of Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose. The exemption will apply only for the initial term of the contract and to the MW capacity quantity and Resource Adequacy Resources specified in the contract prior to June 28, 2009. The exemption shall terminate upon the conclusion of the initial contract term. Exempt contracts may be re-assigned or undergo novation on or after June 28, 2009, but the exemption shall not apply for any extended contract term, increased capacity quantity or additional resource(s) beyond those specified in the contract prior to June 28, 2009. Scheduling Coordinators for Resource Adequacy Resources subject to these contracts will be required to certify the start date of the contract, the expiration date, the Resource ID(s), and the amount of Resource Adequacy Capacity associated with each Resource ID included in the contract. For Resource Adequacy Resources whose Qualifying Capacity value is determined by historical output, the capacity under a resource specific power supply contract or Resource Adequacy Capacity that was procured under a contract that was either executed or submitted to the applicable Local Regulatory

Authority for approval that meets the requirements in this subsection (2) will not be subject to Non-Availability Charges or Availability Incentive Payments, except that the deadline date for either type of contract shall be August 22, 2010 instead of June 28, 2009.

- (3) For a contract entered into prior to June 28, 2009 that provides for the amount of Resource Adequacy Capacity to increase during the original term of the contract, based on a ratio of the Resource Adequacy Resource's output or due to an addition of capacity, the exemption provided in subsection (2) of this Section 40.9.2 will apply to the additional capacity allowed under the contract; provided that the capacity increase (i) is expressly contained in the provisions of the contract, (ii) occurs during the primary term of the contract; and (iii) does not result from contract extensions or other amendments to the original terms and conditions of the contract. Scheduling Coordinators for Resource Adequacy Resources subject to contracts that provide for such capacity increases or additions must include in their certification, in addition to the requirements of subsection (2) of this Section 40.9.2, (i) the citation to any contract provisions that might entitle them to increased exempt Resource Adequacy Capacity from the contracted resources during the primary term of the contract; (ii) the amount of additional capacity to which they might be entitled; and (iii) the actual effective date of the capacity increase. If the actual amount of capacity and/or the actual effective date of the capacity increase is not known at the time of the initial certification, the Scheduling Coordinator shall provide a supplemental certification(s) when this information becomes known. For Resource Adequacy Resources whose Qualifying Capacity value is determined by historical output the exemption provided in subsection (2) of this Section 40.9.2 will apply to an increase in the capacity under a resource specific power supply contract or Resource Adequacy Capacity that was procured under a contract that was either executed or submitted to the applicable Local Regulatory Authority for approval that meets the requirements in this subsection (3), except that the deadline date for either type of contract to be exempt shall be August 22, 2010 instead of June 28, 2009.

- (4) Demand response resources will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9.
- (5) Resource Adequacy Capacity provided through contracts for Energy from non-specified resources delivered within the CAISO Balancing Authority Area will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9; and
- (6) Resource Adequacy Resources of a Modified Reserve Sharing LSE or a Load following MSS will be used to determine the Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose. Non-Local Capacity Area Resource Adequacy Resources of a Modified Reserve Sharing LSE or a Load following MSS will not be subject to Non-Availability Charges or Availability Incentive Payments, but those entities shall remain responsible for any other applicable deficiency payments under this CAISO Tariff or the applicable MSS Agreement.

Exclusions from the Availability Standards and Outage reporting requirements established in this Section 40.9 are for this Section 40.9 alone and do not affect any other obligation arising under the CAISO Tariff.

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#### **40.9.4.2 Availability Calculation for a Resource Adequacy Resource**

The CAISO will calculate the monthly availability for each Resource Adequacy Resource subject to this Section 40.9.4 as follows:

The sum of the hourly available Resource Adequacy Capacity of the resource over all Availability Assessment Hours of the month, divided by the sum of the hourly Resource Adequacy Capacity of the resource as designated in the Supply Plan for the resource for those hours, and multiplied by 100 to obtain a number between zero percent (0%) and one hundred percent (100%).

- (1) A Resource Adequacy Resource will be determined to be less than one hundred percent (100%) available in a given month if it has any Forced Outages or temperature-related

ambient de-rates that impact the availability of its designated Resource Adequacy Capacity during the Availability Assessment Hours of that month.

- (2) For Resource Adequacy Resources whose Qualifying Capacity value is determined by historical output, its hourly available Resource Adequacy Capacity for each Availability Assessment Hour will be determined from three components: the total actual amount of Energy the resource delivered during that hour; Resource Adequacy Capacity of the resource as designated in its Supply Plan; and the resource's Net Qualifying Capacity as reduced for that hour by the same percentage by which any Forced Outages or temperature-related ambient de-rates reduced the resource's capacity from its PMax capacity. If the total actual amount of Energy delivered by the resource in an Availability Assessment Hour is greater than or equal to the amount of Resource Adequacy Capacity designated in the Supply Plan, the hourly available Resource Adequacy Capacity for the hour will equal the resource's Resource Adequacy Capacity as designated in its Supply Plan. If the total actual amount of Energy delivered by the resource in an Availability Assessment Hour is less than the amount of Resource Adequacy Capacity designated in the Supply Plan, the available Resource Adequacy Capacity of the resource for that hour will be the higher of the total actual Energy the resource delivered in that hour or the resource's Net Qualifying Capacity as reduced for that hour by the same percentage by which any Forced Outages or temperature-related ambient de-rates reduced the resource's capacity from its PMax capacity. The Resource Adequacy Capacity for each resource will be determined in accordance with the following formula:

$$\text{Hourly Available Resource Adequacy Capacity} = \text{Min} (\text{RA Capacity}, \text{Max} (\text{Actual Energy}, \text{Proportional Derated Capacity}))$$

Where:

RA Capacity = Resource Adequacy Capacity designated in the Supply Plan

Actual Energy = Total actual Energy delivered by the resource in the Availability Assessment Hour

Proportional Derated Capacity = Resource's Net Qualifying Capacity as reduced for that hour by the same percentage by which any Forced Outages or temperature-related ambient de-rates reduced the resource's capacity from its PMax capacity

If the SC for the Resource Adequacy Resource requests to convert from a Forced Outage to a Maintenance Outage in accordance with Section 9.3.3, the SC must terminate the existing Forced Outage and submit a new request for a Maintenance Outage. In the event the CAISO rejects the request to convert from a Forced Outage to a Maintenance Outage due to reliability criteria, the Outage will not be converted and the Forced Outage will continue. Outages properly submitted for temperature-related ambient derates for a Use Limited Resource will be counted against its availability only until such time as the Use Limited Resource reaches its energy limit constraint, at which time such Outages or derates will no longer count against the availability of the Use Limited Resource for the relevant month.

The start and end times used in calculating the availability of each resource each month will be the Outage time reported in the SLIC system or through the alternative reporting process of Section 40.9.5 for resources not included in the SLIC system.

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#### **40.9.5 Outage Reporting**

Scheduling Coordinators for Generating Units or Resource-Specific System Resources that are also Resource Adequacy Resources with a maximum output capability of one (1) MW or more, but which do not meet the requirement to provide information on Forced Outages in accordance with Section 9.3.10, shall provide equivalent availability-related information in the form and on the schedule specified in the Business Practice Manuals. This information shall identify all Forced Outages and temperature-related ambient de-rates that have occurred over the previous calendar month and shall contain all relevant details needed to enable the CAISO to perform the availability calculation for the resource in accordance with Section 40.9.4, including: the start and end times of any Outages or de-rates, the MW availability in all Availability Assessment Hours, and the causes of any Forced Outages or de-rates. Scheduling Coordinators for Resource Adequacy Resources whose maximum output capability is ten (10) MW or

more shall report Outage-related information in accordance with the reporting obligations in Section 9.3.10.

#### **40.9.6 Non-Availability Charges And Availability Incentive Payments**

A Resource Adequacy Resource that is subject to the availability assessment in accordance with Section 40.9.4 and whose monthly availability calculation under Section 40.9.4.2 is more than two and a half percent (2.5%) below the monthly Availability Standard will be subject to a Non-Availability Charge for the month. A Resource Adequacy Resource subject to Section 40.9.4 whose availability calculation under Section 40.9.4.2 is more than two and a half percent (2.5%) above the monthly Availability Standard will be eligible for an Availability Incentive Payment for the month. For Resources whose Qualifying Capacity is determined by their historical output, the CAISO will calculate but not apply through the settlements process the Non-Availability Charges or Availability Incentive Payments to Trading Days within the three months of January, February, and March 2011.

##### **40.9.6.1 Determination of Resource Adequacy Capacity Subject to Non-Availability Charge**

The amount of Resource Adequacy Capacity of a Resource Adequacy Resource subject to the Non-Availability Charge will be determined as follows:

- (1) A Resource Adequacy Resource with actual availability calculated in accordance with Section 40.9.4.2 that is less than the Availability Standard minus the tolerance band of two and a half percent (2.5%) for a given month will have the Non-Availability Charge assessed to that portion of its non-exempt Resource Adequacy Capacity determined in accordance with the following formula:

$$P = RA*(S - .025) - X$$

Where:

- P = The RA Resource's RA Capacity subject to Non-Availability Charge
- S = Monthly Availability Standard as a fraction, so that  $0 < S < 1.0$
- RA = The RA Resource's RA Capacity (MW) as designated in its Supply Plan, less any exempt capacity
- X = The mean of the RA Resource's {hourly available RC Capacity over all Availability Assessment Hours of the month (MW)}.

- (2) No Non-Availability Charge will be applied when a Resource Adequacy Resource's actual availability, calculated in accordance with Section 40.9.4.2 for a given month, is equal to or greater than the Availability Standard less two and a half percent (2.5%).
- (3) Any Forced Outage or temperature-related ambient de-rates of a resource that the CAISO has accepted as a substitute for a Resource Adequacy Resource in accordance with Section 40.9.4.2.1 will be applied in calculating the availability of the Resource Adequacy Resource for which it is substituting.

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#### **40.9.6.3 Availability Incentive Payment**

Scheduling Coordinators for Resource Adequacy Resources that achieve monthly availability that is more than two and a half percent (2.5%) above the monthly Availability Standard are eligible to receive the monthly Availability Incentive Payment. This payment will be funded entirely through the monthly Non-Availability Charges assessed for the same month. For each resource eligible for the Availability Incentive Payment, its eligible capacity will be that portion of its designated Resource Adequacy Capacity equal to its actual availability calculated in accordance with Section 40.9.4.2 minus the Availability Standard percent minus two and a half percent (2.5%). The monthly Availability Incentive Payment rate will equal the total Non-Availability Charges assessed for the month divided by the total Resource Adequacy Capacity eligible to receive the Availability Incentive Payment that month, provided that the Availability Incentive Payment rate shall not exceed three times the Non-Availability Charge rate. The Availability Incentive Payment the CAISO shall pay to each eligible resource will equal the product of its eligible capacity and the Availability Incentive Payment rate. Any remaining Non-Availability Charge funds that are not distributed to eligible Resource Adequacy Resources will be credited against the Real-Time neutrality charge to metered CAISO Demand for that Trade Month.

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**Attachment B – Marked Tariff**  
**Standard Capacity Product II Compliance Filing**  
**California Independent System Operator Corporation**  
**Fifth Replacement FERC Electric Tariff**

\* \* \*

#### 40.9.2 Exemptions

The following exemptions apply to the CAISO's Availability Standards program of this Section 40.9:

- (1) Resources with a Pmax less than one (1.0) MW will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9.
- (2) Capacity under a resource specific power supply contract that existed prior to June 28, 2009 and Resource Adequacy Capacity that was procured under a contract that was either executed or submitted to the applicable Local Regulatory Authority for approval prior to June 28, 2009, and is associated with specific Generating Units or System Resources, will not be subject to Non-Availability Charges or Availability Incentive Payments. Such contracted Resource Adequacy Capacity, except for non Resource-Specific System Resources, will be included in the development of Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose. The exemption will apply only for the initial term of the contract and to the MW capacity quantity and Resource Adequacy Resources specified in the contract prior to June 28, 2009. The exemption shall terminate upon the conclusion of the initial contract term. Exempt contracts may be re-assigned or undergo novation on or after June 28, 2009, but the exemption shall not apply for any extended contract term, increased capacity quantity or additional resource(s) beyond those specified in the contract prior to June 28, 2009. Scheduling Coordinators for Resource Adequacy Resources subject to these contracts will be required to certify the start date of the contract, the expiration date, the Resource ID(s), and the amount of Resource Adequacy Capacity associated with each Resource ID included in the contract. For Resource Adequacy Resources whose Qualifying Capacity value is determined by historical output, the capacity under a resource specific power supply contract or Resource Adequacy Capacity that was procured under a contract that was either executed or submitted to the applicable Local Regulatory

Authority for approval that meets the requirements in this subsection (2) will not be subject to Non-Availability Charges or Availability Incentive Payments, except that the deadline date for either type of contract shall be August 22, 2010 instead of June 28, 2009.

- (3) For a contract entered into prior to June 28, 2009 that provides for the amount of Resource Adequacy Capacity to increase during the original term of the contract, based on a ratio of the Resource Adequacy Resource's output or due to an addition of capacity, the exemption provided in subsection (2) of this Section 40.9.2 will apply to the additional capacity allowed under the contract; provided that the capacity increase (i) is expressly contained in the provisions of the contract, (ii) occurs during the primary term of the contract; and (iii) does not result from contract extensions or other amendments to the original terms and conditions of the contract. Scheduling Coordinators for Resource Adequacy Resources subject to contracts that provide for such capacity increases or additions must include in their certification, in addition to the requirements of subsection (2) of this Section 40.9.2, (i) the citation to any contract provisions that might entitle them to increased exempt Resource Adequacy Capacity from the contracted resources during the primary term of the contract; (ii) the amount of additional capacity to which they might be entitled; and (iii) the actual effective date of the capacity increase. If the actual amount of capacity and/or the actual effective date of the capacity increase is not known at the time of the initial certification, the Scheduling Coordinator shall provide a supplemental certification(s) when this information becomes known. For Resource Adequacy Resources whose Qualifying Capacity value is determined by historical output the exemption provided in subsection (2) of this Section 40.9.2 will apply to an increase in the capacity under a resource specific power supply contract or Resource Adequacy Capacity that was procured under a contract that was either executed or submitted to the applicable Local Regulatory Authority for approval that meets the requirements in this subsection (3), except that the deadline date for either type of contract to be exempt shall be August 22, 2010 instead of June 28, 2009.

- (4) Demand response resources ~~and resources whose Qualifying Capacity value is determined by historical output from the CPUC or a Local Regulatory Authority that does not adjust the historical output data to correct for the possible double-counting of Outages~~ will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9.
- (5) Resource Adequacy Capacity provided through contracts for Energy from non-specified resources delivered within the CAISO Balancing Authority Area will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9; and
- (6) Resource Adequacy Resources of a Modified Reserve Sharing LSE or a Load following MSS will be used to determine the Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose. Non-Local Capacity Area Resource Adequacy Resources of a Modified Reserve Sharing LSE or a Load following MSS will not be subject to Non-Availability Charges or Availability Incentive Payments, but those entities shall remain responsible for any other applicable deficiency payments under this CAISO Tariff or the applicable MSS Agreement.

Exclusions from the Availability Standards and Outage reporting requirements established in this Section 40.9 are for this Section 40.9 alone and do not affect any other obligation arising under the CAISO Tariff.

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#### **40.9.4.2 Availability Calculation for a Resource Adequacy Resource**

The CAISO will calculate the monthly availability for each Resource Adequacy Resource subject to this

Section 40.9.4 as follows:

~~The~~ sum of the hourly available Resource Adequacy Capacity of the resource over all Availability Assessment Hours of the month, divided by the sum of the hourly Resource Adequacy Capacity of the

resource as designated in the Supply Plan for the resource for those hours, and multiplied by 100 to obtain a number between zero percent (0%) and one hundred percent (100%).

(1) A Resource Adequacy Resource will be determined to be less than one hundred percent (100%) available in a given month if it has any Forced Outages, ~~non-ambient de-rates,~~ or temperature-related ambient de-rates that impact the availability of its designated Resource Adequacy Capacity during the Availability Assessment Hours of that month.

(2) For Resource Adequacy Resources whose Qualifying Capacity value is determined by historical output, its hourly available Resource Adequacy Capacity for each Availability Assessment Hour will be determined from three components: the total actual amount of Energy the resource delivered during that hour; Resource Adequacy Capacity of the resource as designated in its Supply Plan; and the resource's Net Qualifying Capacity as reduced for that hour by the same percentage by which any Forced Outages or temperature-related ambient de-rates reduced the resource's capacity from its PMax capacity. If the total actual amount of Energy delivered by the resource in an Availability Assessment Hour is greater than or equal to the amount of Resource Adequacy Capacity designated in the Supply Plan, the hourly available Resource Adequacy Capacity for the hour will equal the resource's Resource Adequacy Capacity as designated in its Supply Plan. If the total actual amount of Energy delivered by the resource in an Availability Assessment Hour is less than the amount of Resource Adequacy Capacity designated in the Supply Plan, the available Resource Adequacy Capacity of the resource for that hour will be the higher of the total actual Energy the resource delivered in that hour or the resource's Net Qualifying Capacity as reduced for that hour by the same percentage by which any Forced Outages or temperature-related ambient de-rates reduced the resource's capacity from its PMax capacity. The Resource Adequacy Capacity for each resource will be determined in accordance with the following formula:

$$\text{Hourly Available Resource Adequacy Capacity} = \text{Min (RA Capacity, Max (Actual Energy, Proportional Derated Capacity))}$$

Where:

RA Capacity = Resource Adequacy Capacity designated in the Supply Plan

Actual Energy = Total actual Energy delivered by the resource in the Availability Assessment Hour

Proportional Derated Capacity = Resource's Net Qualifying Capacity as reduced for that hour by the same percentage by which any Forced Outages or temperature-related ambient de-rates reduced the resource's capacity from its PMax capacity

If the SC for the Resource Adequacy Resource requests to convert from a Forced Outage to a Maintenance Outage in accordance with Section 9.3.3, the SC must terminate the existing Forced Outage and submit a new request for a Maintenance Outage. In the event the CAISO rejects the request to convert from a Forced Outage to a Maintenance Outage due to reliability criteria, the Outage will not be converted and the Forced Outage will continue. Outages properly submitted for temperature-related ambient derates for a Use Limited Resource will be counted against its availability only until such time as the Use Limited Resource reaches its energy limit constraint, at which time such Outages or derates will no longer count against the availability of the Use Limited Resource for the relevant month.

The start and end times used in calculating the availability of each resource each month will be the Outage time reported in the SLIC system or through the alternative reporting process of Section 40.9.5 for resources not included in the SLIC system.

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#### **40.9.5 Outage Reporting**

Scheduling Coordinators for Generating Units or Resource-Specific System Resources that are also Resource Adequacy Resources with a maximum output capability of one (1) MW or more, but which do not meet the requirement to provide information on Forced Outages in accordance with Section 9.3.10, shall provide equivalent availability-related information in the form and on the schedule specified in the Business Practice Manuals. This information shall identify all Forced Outages, ~~non-ambient de-rates~~, and temperature-related ambient de-rates that have occurred over the previous calendar month and shall contain all relevant details needed to enable the CAISO to perform the availability calculation for the

resource in accordance with Section 40.9.4, including: the start and end times of any Outages or de-rates, the MW availability in all Availability Assessment Hours, and the causes of any Forced Outages or de-rates. Scheduling Coordinators for Resource Adequacy Resources whose maximum output capability is ten (10) MW or more shall report Outage-related information in accordance with the reporting obligations in Section 9.3.10.

#### **40.9.6 Non-Availability Charges And Availability Incentive Payments**

A Resource Adequacy Resource that is subject to the availability assessment in accordance with Section 40.9.4 and whose monthly availability calculation under Section 40.9.4.2 is more than two and a half percent (2.5%) below the monthly Availability Standard will be subject to a Non-Availability Charge for the month. A Resource Adequacy Resource subject to Section 40.9.4 whose availability calculation under Section 40.9.4.2 is more than two and a half percent (2.5%) above the monthly Availability Standard will be eligible for an Availability Incentive Payment for the month. For Resources whose Qualifying Capacity is determined by their historical output, the CAISO will calculate but not apply through the settlements process the Non-Availability Charges or Availability Incentive Payments to Trading Days within the three months of January, February, and March 2011.

##### **40.9.6.1 Determination of Resource Adequacy Capacity Subject to Non-Availability Charge**

The amount of Resource Adequacy Capacity of a Resource Adequacy Resource subject to the Non-Availability Charge will be determined as follows:

- (1) A Resource Adequacy Resource with actual availability calculated in accordance with Section 40.9.4.2 that is less than the Availability Standard minus the tolerance band of two and a half percent (2.5%) for a given month will have the Non-Availability Charge assessed to that portion of its non-exempt Resource Adequacy Capacity determined in accordance with the following formula:

$$P = RA*(S - .025) - X$$

Where:

P = The RA Resource's RA Capacity subject to Non-Availability Charge

S = Monthly Availability Standard as a fraction, so that  $0 < S < 1.0$

RA = The RA Resource's RA Capacity (MW) as designated in its Supply Plan, less any exempt capacity

X = The mean of the RA Resource's {hourly available RC Capacity over all Availability Assessment Hours of the month (MW).

- (2) No Non-Availability Charge will be applied when a Resource Adequacy Resource's actual availability, calculated in accordance with Section 40.9.4.2 for a given month, is equal to or greater than the Availability Standard less two and a half percent (2.5%).
- (3) Any Forced Outage, ~~non-ambient de-rate~~, or temperature-related ambient de-rates of a resource that the CAISO has accepted as a substitute for a Resource Adequacy Resource in accordance with Section 40.9.4.2.1 will be applied in calculating the availability of the Resource Adequacy Resource for which it is substituting.

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#### **40.9.6.3 Availability Incentive Payment**

Scheduling Coordinators for Resource Adequacy Resources that achieve monthly availability that is more than two and a half percent (2.5%) above the monthly Availability Standard are eligible to receive the monthly Availability Incentive Payment. This payment will be funded entirely through the monthly Non-Availability Charges assessed for the same month. For each resource eligible for the Availability Incentive Payment, its eligible capacity will be that portion of its designated Resource Adequacy Capacity equal to its actual availability calculated in accordance with Section 40.9.4.2 minus the Availability Standard percent minus two and a half percent (2.5%). The monthly Availability Incentive Payment rate will equal the total Non-Availability Charges assessed for the month divided by the total Resource Adequacy Capacity eligible to receive the Availability Incentive Payment that month, provided that the Availability Incentive Payment rate shall not exceed three times the Non-Availability Charge rate. The Availability Incentive Payment the CAISO shall pay to each eligible resource will equal the product of its eligible capacity and the Availability Incentive Payment rate. Any remaining Non-Availability Charge funds that are not distributed to eligible Resource Adequacy Resources will be credited against the Real-Time neutrality charge to metered CAISO Demand for that Trade Month ~~in accordance with Section~~

~~11.5.2.3.~~

