

REDACTED VERSION FOR PUBLIC RELEASE

**PRIVILEGED INFORMATION CONTAINED IN CONFIDENTIAL
ATTACHMENTS**

September 7, 2010

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

**Re: California Independent System Operator Corporation
Filing of Amendment to Service Agreement No. 798
Docket No. ER10-_____-000**

Dear Secretary Bose:

The California Independent System Operator Corporation submits for Commission filing and acceptance the second amendment (Amendment No. 2) to the Amended and Restated Metered Subsystem (MSS) Agreement between the ISO and the City of Riverside, California.¹ The ISO submits this filing to incorporate two generating units, Riverside Energy Resource Center Units 3 and 4, into the Riverside MSS agreement. The ISO proposes that Amendment No. 2 be made effective as of September 28, 2010, the earliest date that the first of Riverside's generating units is expected to commence commercial operation.

I. Amendment No. 2 to the Riverside MSS Agreement

The Riverside MSS agreement sets forth the terms and conditions on which Riverside, as an MSS, operates electric resources within the ISO balancing authority area; schedules transactions using the ISO controlled grid and participates in the ISO's markets as or through a scheduling coordinator; and meets its obligations under the ISO tariff. The MSS agreement is designated as

¹ This filing is submitted pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d and Part 35 of the Commission's regulations, 18 C.F.R. Part 35, and in compliance with Order No. 714, *Electronic Tariff Filings*, FERC Stats. & Regs. ¶ 31,276 (2009). The ISO is also sometimes referred to as the CAISO. Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO tariff.

ISO Service Agreement No. 798. It became effective on March 31, 2009.² Amendment No. 1 to the MSS agreement became effective on September 1, 2010 as described in the ISO's compliance filing in Docket No. ER10-1289 (assigned Docket No. ER10-2525) submitted on September 3, 2010.

In order to incorporate the Riverside Energy Resource Center Units 3 and 4 into the MSS agreement, Amendment No. 2 contains changes to the information regarding facilities on Riverside's system and meters for Riverside's facilities included in the following provisions of the MSS agreement:

- Schedule 1, entitled "Riverside's System Facilities";
- Schedule 14, entitled "Technical Characteristics of Generating Units"; and
- Schedule 15.1, entitled "Meter Information"

The provisions of Amendment No. 2 are of immediate significance only to the ISO and Riverside and are agreed to by the parties. The ISO requests that the Commission accept these amendments to the Riverside MSS agreement as filed.

II. Request for Confidential and Privileged Treatment

Pursuant to Commission Order Nos. 630 and 630-A³ and Order No. 714, the ISO includes, in confidential attachments to the instant filing, the entire text in clean copy and red-line format of the provisions of the Riverside MSS agreement that are amended by the instant filing. The confidential attachments include the non-public portions of the amended MSS agreement, specifically, all of Schedule 15.1 and a portions of Schedule 14. The ISO is seeking confidential and privileged treatment for a portion of Schedule 14 and all of Schedule 15.1 under 18 C.F.R. § 388.112, as they contain confidential generating unit and meter information and addresses of key components of the Riverside system. The ISO submits that public disclosure of the materials in the Schedules described above would unnecessarily reveal sensitive information, and therefore the identified portions of the Schedules should be granted confidential and privileged treatment.

² Commission Letter Order, Docket No. ER09-188-000 (Jan. 23, 2009) (order accepting MSS agreement subject to requirement that ISO submit informational filing to specify its effective date); Informational Filing Regarding Effective Dates of Agreements Effective for MRTU, Docket Nos. ER09-188-000, *et al.* (Mar. 30, 2009) (ISO filing explaining that the MSS agreement and other ISO agreements would become effective on March 31, 2009).

³ *Critical Energy Infrastructure Information*, Order No. 630, FERC Stats. & Regs. ¶ 31,140, *order on reh'g*, Order No. 630-A, FERC Stats. & Regs. ¶ 31,147 (2003).

III. Effective Date and Request for Waiver

The ISO requests that the Riverside MSS agreement as amended by the instant filing be made effective on September 28, 2010, the earliest date that the first of Riverside Energy Resource Center Units 3 and 4 is expected to commence commercial operation. The exact commercial operation date has not yet been determined, but the ISO and Riverside anticipate that it will occur no sooner than September 28, 2010 and that this effective date will avoid any potential delay in Riverside's scheduling of deliveries from these units with the ISO.

The ISO requests waiver, pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), of the 60-day notice requirement set forth in Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3), and to the extent necessary, the ISO respectfully requests that the Commission grant any other waivers of Part 35 of its regulations that may be required in connection with the requested effective date. Although the exact commercial operation date for the first of Riverside Energy Resource Center Units 3 and 4 to go on-line has not been finalized, the ISO and Riverside have agreed that September 28, 2010 is an appropriate date, as it is the earliest that either of these units is expected to commence commercial operation. Granting the requested effective date and waiver, therefore, is appropriate.

IV. Expenses

No expense or cost associated with this filing has been alleged or judged in any judicial or administrative proceeding to be illegal, duplicative, unnecessary, or demonstratively the product of discriminatory employment practices.

V. Service

Copies of this filing have been served upon Riverside, the California Public Utilities Commission, and the California Energy Commission. In addition, the filing has been posted on the ISO website.

Enclosed for filing are each of the following:

- (1) this letter of transmittal;
- (2) the public version of Amendment No. 2 to the Riverside MSS agreement (Attachment A);
- (3) the public version of the provisions of the Riverside MSS agreement as amended by the instant filing (Attachment B);

- (4) the public version of the provisions of the Riverside MSS agreement as amended by the instant filing, with the revisions to the MSS agreement shown in red-line format (Attachment C);
- (5) the non-public version of Amendment No. 2 to the Riverside MSS agreement (Attachment D);
- (6) the non-public version of the provisions of the Riverside MSS agreement as amended by the instant filing (Attachment E); and
- (7) the non-public version of the provisions of the Riverside MSS agreement as amended by the instant filing, with the revisions to the MSS agreement shown in red-line format (Attachment F).

VI. Correspondence

The ISO requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

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* Individuals designated for service pursuant to Rule 203(b)(3),
18 C.F.R. § 385.203(b)(3).

VII. Conclusion

The ISO respectfully requests that the Commission accept this filing, permit Amendment No. 2 to the Riverside MSS agreement to be effective as of the date requested, and grant the requested confidential treatment. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

By: /s/ Michael D. Dozier

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General Counsel

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Assistant General Counsel

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Attorneys for the California Independent
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Attachment A
Amendment No. 2 to California ISO
Service Agreement No. 798
Public version
(Privileged material redacted pursuant to
18 C.F.R. 388.112)

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
AND
CITY OF RIVERSIDE**

**Amendment No. 2 to the Amended and Restated
City of Riverside MSS Agreement**

THIS AMENDMENT NO. 2 is dated this 25th day of August, 2010 and is entered into, by and between:

(1) The **City of Riverside**, a municipal corporation of the State of California, which owns and operates a municipal electric utility system engaged in the generation, transmission, distribution, purchase and sale of electric power and energy at wholesale and retail, having its registered and principal place of business located at 3900 Main Street, Riverside, California 92522 ("Riverside");

and

(2) **California Independent System Operator Corporation**, a California non-profit public benefit corporation having its principal place of business located in such place in the State of California as the CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "CAISO").

Riverside and the CAISO are hereinafter referred to individually as "Party" or collectively as the "Parties."

Whereas:

- A.** The Parties are signatories to the Amended and Restated Metered Subsystem Agreement ("MSSA"), which was effective March 31, 2009. The Amended and Restated MSSA replaced the original MSSA, which was effective July 1, 2007. The Parties entered into Amendment No. 1 to the Amended and Restated MSSA as of May 17, 2010. The CAISO filed Amendment No. 1 to the Amended and Restated MSSA with FERC on May 21, 2010 in Docket No. ER10-1289, and FERC accepted this amendment, effective as of a date yet to be determined, by an order issued on June 19, 2010.
- B.** The Parties desire to amend the Amended and Restated MSSA to update Schedule 1 (Riverside's System Facilities), Schedule 14 (Technical Characteristics of Generating Units), and Schedule 15.1 (Meter Information) to



include two new Generating Units. The Parties also desire to amend Schedule 15.1 (Meter Information) to include additional updates to provide consistency.

- C. In all other respects, the Parties intend that the Amended and Restated MSSA remain in full force and effect in accordance with its terms.

NOW THEREFORE, **THE PARTIES AGREE** as follows:

1. **Effective Date.** This Amendment No. 2 shall be effective on the date made effective by FERC.
2. **Termination.** The provisions of this Amendment No. 2 shall remain in full force and effect, unless subsequently amended, until the termination of the Amended and Restated MSSA.
3. **Amendment to the Agreement.** The Amended and Restated MSSA shall be amended as follows:
 - 3.1 Schedule 1 specifying "Riverside's System Facilities" is deleted in its entirety and the Schedule 1 attached to this Amendment No. 2 is substituted in its place.
 - 3.2 Schedule 14 specifying "Technical Characteristics of Generating Units" is deleted in its entirety and the Schedule 14 attached to this Amendment No. 2 is substituted in its place.
 - 3.3 Schedule 15.1 specifying "Meter Information" is deleted in its entirety and the Schedule 15.1 attached to this Amendment No. 2 is substituted in its place.
4. This Amendment No. 2 constitutes the complete and final agreement of the Parties with respect to the purpose of this Amendment No. 2 as described in the Recitals hereto and supersedes all prior understandings, whether written or oral, with respect to such subject matter.
5. Except as expressly modified in this Amendment No. 2, the Amended and Restated MSSA shall remain in full force and effect in accordance with its terms, and the unmodified provisions of the Amended and Restated MSSA shall apply to any new rights and/or obligations established by this Amendment No.2.
6. This Amendment No. 2 may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same agreement.

SCHEDULE 1 - RIVERSIDE'S SYSTEM FACILITIES
[Section 1.2]

The following facilities form Riverside's System, including the Points of MSS Interconnection, except as noted in B) and C) Point of Delivery, Load and Generation.

For Riverside:

A) Point of MSS Interconnection: Not applicable at the present time.

B) Point of Delivery: Vista Substation 220 kV bus

The interface between the City of Riverside and the CAISO Controlled Grid is at the Vista Substation 220 kV bus, which is the Point of Delivery for transactions in the CAISO wholesale market.

The Vista Substation 220 kV bus is not part of Riverside's System.

C) Point of Delivery: Mira Loma Substation 220 kV bus

The interface between the Clearwater Power Plant and the CAISO Controlled Grid is at the Mira Loma Substation 220 kV bus, which is the Point of Delivery for transactions in the CAISO wholesale market.

The Mira Loma Substation 220 kV bus is not part of Riverside's System.

D) Riverside Load

E) Generation Facilities

Springs Units 1, 2, 3, & 4

Riverside Energy Resource Center ("RERC") Units 1, 2, 3, & 4

Clearwater Power Plant CT Unit 1 & ST Unit 2

Schedule 14

Section 1: Technical Characteristics of Generating Units CITY OF RIVERSIDE

Name of Facility (Including Unit Number)	QF (Y/N)	RMR (Y/N)	Name of Generating Unit Owner	CAISO Resource ID	Type of Unit	Primary Fuel Type	Designed Gross (Nameplate) Capacity 1/ (MW)	Limitations (Reference #)
Springs Generating Project:	N	N	Riverside Public Utilities	RVSIDE_6_SPRING	Aggregated Unit	Natural Gas	38.00	(Note: entries In this column
Springs Unit 1					Combustion Turbine		9.5	have been
Springs Unit 2					Combustion Turbine		9.5	redacted
Springs Unit 3					Combustion Turbine		9.5	from the filed
Springs Unit 4					Combustion Turbine		9.5	tariff version
								pursuant to
Riverside Energy Res. Ctr Unit 1	N	N	Riverside Public Utilities	RVSIDE_6_RERCU1	Combustion Turbine	Natural Gas	48.50	18 C.F.R.
								§ 388.112.
Riverside Energy Res. Ctr Unit 2	N	N	Riverside Public Utilities	RVSIDE_6_RERCU2	Combustion Turbine	Natural Gas	48.50	Privileged
								treatment of
Riverside Energy Res. Ctr Unit 3	N	N	Riverside Public Utilities	RVSIDE_2_RERCU3	Combustion Turbine	Natural Gas	48.50	the executed
								version
Riverside Energy Res. Ctr Unit 4	N	N	Riverside Public Utilities	RVSIDE_2_RERCU4	Combustion Turbine	Natural Gas	48.50	has been
								requested.)
Clearwater Power Plant	N	N	Riverside Public Utilities	CORONS_6_CLRWTR	Combined Cycle Aggregate	Natural Gas	32.27	
CT Unit 1					Combustion Turbine	Natural Gas	23.80	
ST Unit 2					Steam Turbine	Natural Gas	8.47	

1/ Current effective values for purposes of submitting Self-Schedules and Bids for Energy and/or Ancillary Services in CAISO Markets may differ from those set forth in this Schedule 14, depending on the results of CAISO performance testing pursuant to Sections 8.9 and 8.10 of the CAISO Tariff and Appendix K: Ancillary Service Requirements Protocol of the CAISO Tariff. This and other values are subject to certification by the CAISO in accordance with the CAISO Tariff. More detailed Generating Unit operating data must be provided at a time and in a format specified by the CAISO in response to CAISO requests pursuant to CAISO Tariff Sections 4.6.4, 4.6.7.1 and 30.

SCHEDULE 15.1 – METER INFORMATION

[PRIVILEGED MATERIAL REDACTED PURSUANT TO 18 C.F.R. § 388.112]

Attachment B

**Clean tariff sections of California ISO
Service Agreement No. 798
as amended by Amendment No. 2**

SCHEDULE 1 - RIVERSIDE'S SYSTEM FACILITIES

[Section 1.2]

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The Vista Substation 220_kV bus is not part of Riverside's System.

C) Point of Delivery: Mira Loma Substation 220_kV bus

The interface between the Clearwater Power Plant and the CAISO Controlled Grid is at the Mira Loma Substation 220_kV bus, which is the Point of Delivery for transactions in the CAISO wholesale market.

The Mira Loma Substation 220_kV bus is not part of Riverside's System.

D) Riverside Load

E) Generation Facilities

Spring Units 1, 2, 3, & 4

Riverside Energy Resource Center ("RERC") Units 1, 2, 3, & 4

Clearwater Power Plant CT Unit 1 & ST Unit 2

SCHEDULE 14 - GENERATING UNITS AND MARKET-PARTICIPATING LOADS

[Section 10.1 and 10.5]

Riverside has identified in the attached table all of the individual Generating Units that it owns and controls in the CAISO Balancing Authority Area, together with certain information required by the CAISO. Riverside does not currently have any Curtailable Demand eligible to participate in the CAISO's markets as market-participating Load.

Schedule 14

Section 1: Technical Characteristics of Generating Units CITY OF RIVERSIDE

Name of Facility (Including Unit Number)	QF (Y/N)	RMR (Y/N)	Name of Generating Unit Owner	CAISO Resource ID	Type of Unit	Primary Fuel Type	Designed Gross (Nameplate) Capacity 1/ (MW)	Limitations (Reference #)
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CT Unit 1					Combustion Turbine	Natural Gas	23.80	
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Schedule 14

Section 2: Limitations - Thermal Units City of Riverside

Reference #	Description of Limitation
	(NOTE: All entries in this table have been redacted from the filed tariff version pursuant to 18 C.F.R. § 388.112. Privileged treatment of the execution version has been requested.)

Attachment C

**Marked tariff sections of California ISO
Service Agreement No. 798 showing revisions by
Amendment No. 2**

SCHEDULE 1 - RIVERSIDE'S SYSTEM FACILITIES

[Section 1.2]

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Spring Units 1, 2, 3, & 4

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SCHEDULE 14 - GENERATING UNITS AND MARKET-PARTICIPATING LOADS

[Section 10.1 and 10.5]

Riverside has identified in the attached table all of the individual Generating Units that it owns and controls in the CAISO Balancing Authority Area, together with certain information required by the CAISO. Riverside does not currently have any Curtailable Demand eligible to participate in the CAISO's markets as market-participating Load.

Schedule 14

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								treatment of
								the executed
Riverside Energy Res. Ctr Unit 3	N	N	Riverside Public Utilities	RVRSIDE_2_RERCU3	Combustion Turbine	Natural Gas	48.50	version
								has been
Riverside Energy Res. Ctr Unit 4	N	N	Riverside Public Utilities	RVRSIDE_2_RERCU4	Combustion Turbine	Natural Gas	48.50	requested.)
Clearwater Power Plant	N	N	Riverside Public Utilities	CORONS_6_CLRWTR	Combined Cycle Aggregate	Natural Gas	32.27	
CT Unit 1					Combustion Turbine	Natural Gas	23.80	
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Schedule 14

Section 2: Limitations - Thermal Units City of Riverside

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