



Memorandum

To: ISO Board of Governors

From: Jim Detmers, Vice President, Operations

Date: February 3, 2009

Re: **Decision on tariff modifications regarding division of operational control between the Folsom and Alhambra control centers**

This memorandum requires Board action.

EXECUTIVE SUMMARY

This memorandum seeks authorization from the California Independent System Operator Corporation (the ISO) Board of Governors to request modifications to the ISO market redesign and technology upgrade (MRTU) tariff (the tariff). The tariff modifications would:

- Provide that the primary ISO control center located in Folsom, California has operational control over all transmission lines on the ISO grid; and
- Provide that the ISO may delegate responsibilities to the back-up control center located in Alhambra, California, in which case the primary ISO control center would serve as back-up facility for those responsibilities.

MOTION

Moved, that the ISO Board of Governors approves the proposed tariff changes regarding the division of operational control between the primary ISO control center and the back-up ISO control center, as detailed in the memorandum, dated February 3, 2009, and

Moved, that the ISO Board of Governors authorizes Management to make all of the necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposed tariff changes.

ISSUE STATEMENT

The ISO tariff provides for a primary control center in Folsom, California and a back-up control center in Alhambra, California to exercise operational control over transmission facilities that are part of the ISO grid. The tariff currently requires that the primary control center maintain operational control of all transmission lines over 230 kV. The tariff also requires that the back-up control center maintain operational control over transmission lines up to and including 230kV that are part of the ISO grid in the service territories of Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E).

With the implementation of MRTU, Management would like to transfer operational control responsibilities for transmission lines over 230kV in the service territories of SCE and SDG&E to the back-up control center in Alhambra, California. With the proposed tariff modifications, the primary control center would retain operational control over all transmission lines subject to Management discretion to delegate responsibilities to the back-up control center. Whenever a responsibility is delegated to the back-up control center, the primary control center would then serve as the back-up facility for those responsibilities. These modifications would provide the ISO greater flexibility to delegate responsibilities for managing the ISO grid without requiring a tariff amendment. Management intends to provide written notice to participating transmission owners and market participants when it delegates responsibilities to the back-up control center.

POSITIONS OF THE PARTIES

Management conducted a brief stakeholder process on these proposed amendments. Stakeholders did not oppose the ISO's proposal.

MANAGEMENT RECOMMENDATION

Management recommends that the ISO Board of Governors authorize the ISO to revise the tariff concerning the division of operational control between the primary ISO control center and the back-up ISO control center.