

## Appendix B - Unresolved Issues Matrix

ISSUE #	ISSUE and INTERVENOR	ISSUE PAGE CITE	FERC COMMENT and CITE
1.	<p>1. It is unclear how the ISO will reconcile the metering standards contained in Existing Contracts with those now proposed by the ISO.</p> <p>2.</p> <p>3. Comments and Protest of the Transmission Agency of Northern California ("TANC") to the October 31, 1997 Compliance Filings of the California Independent System Operator Corporation and California Power Exchange Corporation, Docket Nos. EC96-19-006, <i>et al.</i>, filed November 21, 1997 ("TANC I").</p>	TANC I at 10.	The Commission finds that it is premature to address these and other issues until such time as the ISO's proposal is more fully developed. 81 FERC ¶ 61,320, at 62,473 (December 17, 1997).
2.	<p>4. The ISO has not fully explained what an entity needs to do in order to operate as a Metered Subsystem.</p> <p>5.</p> <p>6. Numerous intervenors.</p> <p>7.</p>	Numerous Intervenors.	In light of the numerous comments the Commission has received to date on this issue, the Commission finds that there are many issues still unresolved with regards to the Metered Subsystem concept and the related agreements. Therefore, we will address issues related to the Metered Subsystem concept when the ISO completes its Metered Subsystem proposal. 81 FERC at 62,477.
3.	<p>8. Ancillary Services Requirements Protocols: ISO should make numerous language changes as set out in Table 1 attached to BPA comments, in order to be able to implement the specified procedures in cases where the Ancillary Services are being offered by System Resources located outside the ISO grid.</p> <p>9.</p> <p>10. <i>Motion to Intervene, Protest and Comments of the Bonneville Power Administration ("BPA") Regarding the California Independent System Operator Corporation and California Power Exchange Corporation Protocols, Pro Forma Agreements and Proposed Tariff Changes Filed October 31, 1997</i>, Docket Nos. ER96-19-006, <i>et al.</i>, filed November 21, 1997 ("BPA I").</p>	BPA I at 7-10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC ¶ 61,320, at 62,471 (December 17, 1997).
4.	<p>11. Ancillary Services Requirements Protocol: Section 4.4.1 of the ASRP, Dynamic Schedules, is ambiguous and could be interpreted to exclude parties from the ancillary services market.</p> <p>12.</p> <p>13. BPA.</p>	BPA I at 12-13.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
5.	<p>14. Metering Protocol: Section 13.5.1(b)(l) of the MP unnecessarily and unduly discriminates against imports of Ancillary Services and unreasonably burdens tie points.</p> <p>15.</p> <p>16. BPA.</p>	BPA I at 13-15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
6.	<p>17. Scheduling and Billing Protocol: The SABP does not recognize sales of Ancillary Services from system resources and incorrectly states the formula for inadvertent interchange.</p> <p>18.</p> <p>19. BPA.</p>	BPA I at 16-17.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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7.	<p>20. Proposed new Section 2.5.7.4 is unnecessary and unduly discriminatory against Ancillary Services providers that are located outside the ISO control area that would otherwise be qualified to and wish to participate in the Ancillary Services market in California or who could economically self provide those services using resources located outside of the ISO control area.</p> <p>21.</p> <p>22. <i>BPA.</i></p>	<i>BPA / at 25-27.</i>	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
8.	<p>23. Metering Protocol: Section 2.4 lacks an obligation of the ISO to promptly respond to requests for data and should be revised to provide one. Also, the meter data is the interest of the entity whose data was collected and transmitted to the ISO, not necessarily the Scheduling Coordinator that the entity engaged at the time. The language should be changed to reflect this.</p> <p>24.</p> <p>25. <i>BPA.</i></p>	<i>BPA / Table 3 at 1.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
9.	<p>26. Metering Protocol section 10.1: Changes to the validation, editing and estimation procedure should be subject to ISO Technical Advisory Committee approval and notice of proposed changes should be provided to all ISO Metered Entities.</p> <p>27.</p> <p>28. <i>BPA.</i></p>	<i>BPA / Table 3 at 1.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
10.	<p>29. Metering Protocol section 12.1: The second and third sentences seek to place an unnecessary and unreasonable burden on SC Metered Entities, and should be deleted. There is no justification for this requirement, particularly in the case of SC Metered Entities that represent only non-California entities.</p> <p>30.</p> <p>31. <i>BPA.</i></p>	<i>BPA / Table 3 at 1.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
11.	<p>32. Scheduling Protocol section 1.3.1(d): The Interconnected Control Area Agreement will set forth the entire agreement regarding the coordination of schedules at the interconnection between the ISO and adjacent control areas. Delete inclusion of interfacing control area operators in section 1.3.1(d).</p> <p>33.</p> <p>34. <i>BPA.</i></p>	<i>BPA / Table 3 at 1.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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12.	<p>35. Scheduling Protocol sections 3.2.6.3 and 3.2.8.3: The protocol requires the ISO to invalidate a Submittal for all Settlement Periods of the relevant Trading Day if the Submittal for any one Settlement Period is invalid. There is no technical reason for requiring that all periods be invalidated and the result is unreasonable and punitive.</p> <p>36.</p> <p>37. BPA.</p>	BPA / Table 3 at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
13.	<p>38. Scheduling Protocol section 3.2.8.1(b): In subsection (b) it is unclear why the ISO will allow the submissions of revised ranges but not prices in a SC's Adjustment Bids. There is no apparent reason for this restriction.</p> <p>39.</p> <p>40. BPA.</p>	BPA / Table 3 at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
14.	<p>41. Outage Coordination Protocol section 1.3.1(d): The Interconnected Control Area Agreement will set forth the entire agreement regarding the coordination of outages affecting the interconnection between the ISO and adjacent control areas. Inclusion of Connected Entities that are adjacent control areas in section 1.3.1(d) should be deleted.</p> <p>42.</p> <p>43. BPA.</p>	BPA / Table 3 at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
15.	<p>44. Outage Coordination Protocol section 3.1.6: The Interconnected Control Area Agreement will set forth the entire agreement regarding the coordination of Maintenance Outages affecting the interconnection between the ISO and adjacent control areas. Section 3.1.6 should be deleted.</p> <p>45.</p> <p>46. BPA.</p>	BPA / Table 3 at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
16.	<p>47. Outage Coordination Protocol section 5.2: The Interconnected Control Area Agreement will set forth the entire agreement regarding scheduling and approval of Maintenance Outages affecting the interconnection between the ISO and adjacent control areas. Section 5.2 should be deleted.</p> <p>48.</p> <p>49. BPA.</p>	BPA / Table 3 at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
17.	<p>50. Dispatch Protocol section 1.3.1(e): The Interconnected Control Area Agreement will set forth the entire agreement between the ISO and adjacent control areas regarding the coordination of information on and mitigation of adverse conditions affecting the reliable operation of the interconnection. Inclusion of Control Area Operators that are adjacent control areas in section 1.3.1(e) should be deleted.</p> <p>51.</p> <p>52. BPA.</p>	BPA / Table 3 at 2-3.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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18.	<p><b>53. Dispatch Protocol section 3.8: The Interconnected Control Area Agreement will set forth the entire agreement between the ISO and Control Area Operators that are adjacent control areas regarding information or data to be supplied or exchanged, including metering data, and scheduling and checkout procedures for Interconnection schedules. Section 3.8 should be deleted in its entirety, to the extent that it applies to Control Area Operators that are adjacent control areas.</b></p> <p>54.</p> <p>55. <i>BPA.</i></p>	<i>BPA / Table 3 at 3.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
19.	<p><b>56. Dispatch Protocol section 4.1.2: The provision states that the ISO will access all Ancillary Services by use of the telephone. This provision could hinder operations in the WSCC because the time necessary to make the calls in real time could exceed the time available.</b></p> <p>57.</p> <p>58. <i>BPA.</i></p>	<i>BPA / Table 3 at 3.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
20.	<p><b>59. Outage Coordination Protocol section 5.3.2 overlaps with section 5.3.1. The section should be clarified to provide that it applies only to facilities not covered by section 5.3.1.</b></p> <p>60.</p> <p>61. <i>Comments on Behalf of the Cities of Anaheim, Colton and Riverside, California and Asuca and Banning, California ("Southern Cities") on ISO Protocols, Pro Forma Agreements and Tariff Changes, Docket Nos. EC96-19-008 and ER96-1663-009, filed November 21, 1997 ("Southern Cities I").</i></p>	<i>Southern Cities I at 10.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
21.	<p><b>62. Outage Coordination Protocol section 5.5 requires clarification. It is not clear whether there are different procedures applicable to Participating TOs versus Operators.</b></p> <p>63.</p> <p>64. <i>Southern Cities.</i></p>	<i>Southern Cities I at 10.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
22.	<p><b>65. The ASRP appears inconsistent in describing the different types of resources that may provide a given ancillary service. For example, the provision of regulation and spinning reserves seems limited to Generating Units while other protocols allow for these services to be provided by System Resources.</b></p> <p>66.</p> <p>67. <i>Southern Cities.</i></p>	<i>Southern Cities I at 11.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
23.	<p><b>68. ASRP section 1.3.1(b) is inadequately defined and should specify which Operators are expected to abide by the Protocol.</b></p> <p>69.</p> <p>70. <i>Southern Cities.</i></p>	<i>Southern Cities I at 11.</i>	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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24.	71. Previous drafts of sections 4.1.4 and 4.1.5 of the ASRP should be incorporated to specify the times by which the ISO would publish its estimated requirements for Regulation and provide guidance for participants. 72. 73. <i>Southern Cities.</i>	<i>Southern Cities I</i> at 11.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
25.	74. Section 4.2 of the ASRP should be expanded to include System Resources. 75. 76. <i>Southern Cities.</i>	<i>Southern Cities I</i> at 11.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
26.	77. Because entities providing Regulation service under section 4.2.2 of the ASRP cannot be held accountable for ISO EMS control and related SCADA equipment not under their control, the language in section 4.2.2 needs to be modified. 78. 79. <i>Southern Cities.</i>	<i>Southern Cities I</i> at 11-12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
27.	80. Section 5.1.2 of ASRP should not be limited to only Generating Units. 81. 82. <i>Southern Cities.</i>	<i>Southern Cities I</i> at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
28.	83. The ISO's explanation of section 5.2 of the ASRP (software limitations) should not be dispositive. The ISO should be directed to weigh the burden imposed by the limitation against the cost of making necessary adjustments to the software. 84. 85. <i>Southern Cities.</i>	<i>Southern Cities I</i> at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
29.	86. ASRP section 5.8.2 limiting procurement of Spinning and Non-Spinning Reserves to suppliers located within the ISO Controlled Grid could be extremely uneconomic and impose a significant burden on participants. 87. 88. <i>Southern Cities.</i>	<i>Southern Cities I</i> at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
30.	89. Section 6.1.2 of the ASRP should specify when the Replacement Reserve requirement will be determined and how it will be communicated to participants. 90. 91. <i>Southern Cities.</i>	<i>Southern Cities I</i> at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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31.	<p>92. ASRP section 6.5.2 limits the supply of Replacement Reserve to providers located within the ISO Controlled Grid and may result in increased Ancillary Services costs to all Market Participants.</p> <p>93.</p> <p>94. <i>Southern Cities.</i></p>	<i>Southern Cities I</i> at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
32.	<p>95. <i>Section 7.3 of the ASRP should specify the consequences of failing to supply sufficient Voltage Support.</i></p> <p>96.</p> <p>97. <i>Southern Cities.</i></p>	<i>Southern Cities I</i> at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
33.	<p><i>Subpart (b) of section 11.3 of the ASRP should be deleted. There is no apparent reason why a warning notice should expire prior to a retest; the mere passage of time is not likely to result in improved performance.</i></p> <p><i>Southern Cities.</i></p>	<i>Southern Cities I</i> at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
34.	<p>1. <i>Appendix F section 4 of ASRP should require the ISO to respond to a request for reconsideration within 60 days of that request.</i></p> <p>2.</p> <p>3. <i>Southern Cities.</i></p>	<i>Southern Cities I</i> at 13.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
35.	<p>4. <i>SABP section 1.2.4's reference to "prevailing Pacific Standard Time" is confusing. It is not clear whether or not Daylight Time will be recognized.</i></p> <p>5.</p> <p>6. <i>Southern Cities.</i></p>	<i>Southern Cities I</i> at 13.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
36.	<p>7. <i>Section 6.10.3 of the SABP is inadequate and does not protect the rights of all customers that depend upon the SC being terminated.</i></p> <p>8.</p> <p>9. <i>Southern Cities.</i></p> <p>10.</p>	<i>Southern Cities I</i> at 13.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
37.	<p>11. <i>Preliminary and Final Settlement Statement potentially will contain commercially sensitive information that should <u>not</u> be available to all users of the WENet, and section 8.1 and Appendix 1 (section 9.1) of the SABP should be modified.</i></p> <p>12.</p> <p>13. <i>Southern Cities.</i></p>	<i>Southern Cities I</i> at 14.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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38.	<p><b>14. Numerous sections in the Protocols refer to “requirements” set forth in Section 16 of the ISO Tariff. But that section of the Tariff in fact contains no requirements or standards. The previous drafts of these sections are more appropriate.</b></p> <p>15.</p> <p>16. Southern Cities.</p>	Southern Cities I passim.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
39.	<p><b>17. Section 3.1.4 of the MP should direct the ISO to make the Technical Specifications available for review.</b></p> <p>18.</p> <p>19. Southern Cities.</p>	Southern Cities I at 14.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
40.	<p><b>20. The ISO’s ability to impose requirement for additional metering facilities should be limited in section 5.1.1 of the MP.</b></p> <p>21.</p> <p>22. Southern Cities.</p>	Southern Cities I at 14.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
41.	<p><b>23. An applicant is entitled to a specific reason for ISO rejection of an application, not just generalized boilerplate reference. Section 3.1(b) of the Scheduling Coordinator Application Protocol should be modified.</b></p> <p>24.</p> <p>25. Southern Cities.</p>	Southern Cities I at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
42.	<p><b>26. The proposed form of software licensing (discussed in section 5.1(b) of the SCAP) should be made available for review and comment by potential SCs and other interested parties.</b></p> <p>27.</p> <p>28. Southern Cities.</p>	Southern Cities I at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
43.	<p><b>29. Section 7.2 of the SCAP providing for suspension of a SC’s scheduling rights must address how the SC’s customers will simultaneously obtain a replacement SC.</b></p> <p>30.</p> <p>31. Southern Cities.</p>	Southern Cities I at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
44.	<p><b>32. Additional language should be added to section 7.3 and Appendix A of SCAP to make clear that although a SC should commit to compliance with duly adopted ISO procedures and protocols, it does not give up its rights to challenge or request changes to such procedures and protocols.</b></p> <p>33.</p> <p>34. Southern Cities.</p>	Southern Cities I at 15 and 16.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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45.	<p><b>35. The requirement that an applicant must report to the ISO within 3 business days any changes regarding the information set forth in the Application Form is unreasonable. Appendix A (section 6.2) of the SCAP should be changed to 7 days.</b></p> <p>36.</p> <p>37. Southern Cities.</p>	Southern Cities I at 16.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
46.	<p><b>38. Sections 3.3.3 and 3.3.4 of the SBP are not clear as to what types of instructions can be exercised independent of the ISO and what types cannot. The ISO should be directed to provide examples.</b></p> <p>39.</p> <p>40. Southern Cities.</p>	Southern Cities I at 16.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
47.	<p><b>41. SP section 3 should provide 7 days notice of any variation in timing requirements.</b></p> <p>42.</p> <p>43. Southern Cities.</p>	Southern Cities I at 17.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
48.	<p><b>44. There is no justification for rejecting submittals for an entire Trading Day due to a technical defect in a submittal for one Settlement Period. Sections 3.2.6.3 and 3.2.8.3 should be modified.</b></p> <p>45.</p> <p>46. Southern Cities.</p>	Southern Cities I at 17.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
49.	<p><b>47. Section 4.2.2 of the DP should provide for access to ISO voice recordings by entities receiving Dispatch Instructions.</b></p> <p>48.</p> <p>49. Southern Cities.</p>	Southern Cities I at 18.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
50.	<p><b>50. Proposed Emergency Guidelines and Load Shedding and Load Restoration priorities (discussed in sections 10.2.4 and 10.2.7 of the DP) should be made available promptly for review and comment by participants.</b></p> <p>51.</p> <p>52. Southern Cities.</p>	Southern Cities I at 19.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
51.	<p><b>53. Section 2.5.20.5.1 of the Tariff should be rejected. There is no reason for rejecting an entire day's schedules for self provision of Ancillary Services due to a technical defect in the information submitted for just one hour.</b></p> <p>54.</p> <p>55. Southern Cities.</p>	Southern Cities I at 19-20.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.

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<p>52.</p> <p>57.</p> <p>58. Southern Cities.</p>	<p>56. <b>Section 2.2.4.7.1 of the Tariff is unclear. The language “will receive service at UDC rates” is inappropriately vague and ambiguous.</b></p>	<p>Southern Cities I at 20.</p>	<p>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</p>
<p>53.</p> <p>60.</p> <p>61. Southern Cities.</p>	<p>59. <b>The ISO should not be permitted to impose additional metering requirements except to the extent such additional facilities are necessary to permit the ISO to fulfill obligations with respect to the ISO Controlled Grid. Section 10.2.2 of the Tariff should be modified.</b></p>	<p>Southern Cities I at 20.</p>	<p>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</p>
<p>54.</p> <p>63.</p> <p>64. Southern Cities.</p>	<p>62. <b>The time allowed for SCs to review Preliminary Settlement Statements (discussed in Sections 11.6.1.2 and 11.7.2) is too brief. If the ISO requires additional time to consider comments regarding Preliminary Settlement Statements, it should add time at the end of the process and not reduce the time available for SC review.</b></p>	<p>Southern Cities I at 20.</p>	<p>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</p>
<p>55.</p> <p>66.</p> <p>67. Comments of the New York Mercantile Exchange, Docket Nos. EC96-19-006, <u>et al.</u>, filed November 21, 1997 (“NYMEX”).</p>	<p>65. <b>NYMEX is concerned that the coordination between the ISO and PX, under the proposed Market Monitoring and Information Protocol, will be so pervasive as to blur the operational lines between these two entities. By law, the ISO and PX are required to remain independent of each other.</b></p>	<p>NYMEX at 3.</p>	<p>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</p>
<p>56.</p> <p>69.</p> <p>70. Comments, Protest and Renewed Request for Hearing of the Cities of Redding and Santa Clara, California, and the M-S-R Public Power Agency, Docket Nos. EC96-19-010, <u>et al.</u>, filed December 4, 1997 (“Cities/M-S-R 12/4/97”).</p>	<p>68. <b>Section 2.5.3.2 of the Tariff is subject to multiple interpretations and requires clarification.</b></p>	<p>Cities/M-S-R 12/4/97 at 9-11.</p>	<p>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</p>
<p>57.</p> <p>72.</p> <p>73. Cities/M-S-R.</p>	<p>71. <b>Section 16.2, in conjunction with Sections 16.1 and 20.1.3, allows the ISO Board to establish an amendment process and amend the protocols by unilateral action of the ISO Board on 30 days notice, thus depriving the Commission of any review of the amended protocols.</b></p>	<p>Cities/M-S-R 12/4/97 at 12-13.</p>	<p>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</p>

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58.	<p><b>74. The ISO should utilize the least expensive Generating Units for all Ancillary Services, including Voltage Support. The ISO should be required to utilize the least-cost Generating Units and clearly incorporate that concept in its "merit order stack" criterion (in Section 2.5.18 of the Tariff).</b></p> <p>75.</p> <p>76. <i>Cities/M-S-R.</i></p>	<p><i>Cities/M-S-R 12/4/97 at 15.</i></p>	<p><i>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</i></p>
59.	<p><b>77. The review period for Preliminary Settlement Statements should be extended to one month and the Tariff should reflect that failure to identify a billing error does not preclude an SC's right to challenge the bill until the expiration of any relevant statute of limitations.</b></p> <p>78.</p> <p>79. <i>Cities/M-S-R.</i></p>	<p><i>Cities/M-S-R 12/4/97 at 16-17.</i></p>	<p><i>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</i></p>
60.	<p><b>80. The ISO Tariff should not compel any Participating Transmission Owner to violate restrictions applicable to facilities that are part of a system financed with Local Furnishing Bonds. SDG&amp;E requests that the following language be inserted at the beginning of Dispatch Protocol: section 8.5: "Subject to Section 1.2.3 of the ISO Tariff and related ISO protocols and operating procedures." This language safeguards any financing that Participating Transmission Owners have secured with tax-exempt Local Furnishing Bonds.</b></p> <p>81.</p> <p>82. <i>Intervention and Protest of San Diego Gas &amp; Electric Company, Docket Nos. EC96-19-008 and ER96-1663-009, filed November 21, 1997 ("SDG&amp;E").</i></p>	<p><i>SDG&amp;E at 12.</i></p>	<p><i>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</i></p>
61.	<p><b>83. The Scheduling Protocol is inconsistent with FERC's directive and the ISO Tariff in its proposed treatment of conditional firm transmission rights under Existing Contracts (specifically Path 15).</b></p> <p>84.</p> <p>85. <i>Comments and Protest of the California Municipal Utilities Association, Docket Nos. EC96-19-008 and ER96-1663-009, filed November 21, 1997 ("CMUA").</i></p>	<p><i>CMUA at 9-10.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
62.	<p><b>86. SP 7.2 proposes to put all ISO Tariff users, whether formerly PG&amp;E native load, or any other new user, ahead of conditional firm users under Existing Contracts. SP 7.2 relegates conditional firm users under Existing Contract to a lower priority than new users under the ISO Tariff, representing a diminishment in the value of Existing Contracts.</b></p> <p>87.</p> <p>88. <i>CMUA.</i></p>	<p><i>CMUA at 10-11.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
63.	<p><b>89. Scheduling Protocol is inconsistent with the ISO's Tariff in which the ISO states that it will have no role in interpreting Existing Contracts. The ISO does so when it establishes range values of Adjustment Bids to reflect its interpretation of the relative priorities of Existing Contracts vis a vis the rights of users of the ISO Tariff.</b></p> <p>90.</p> <p>91. <i>CMUA.</i></p>	<p><i>CMUA at 11-12.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>

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<p>64. <b>92. There is a lack of appropriate restraints on the ISO's ability to monitor and take action against allegedly anticompetitive behavior through its MMIP. Section 2 of the MMIP lists an overly broad range of "anomalous market behavior" that is subject to scrutiny. This allows the ISO to act with impunity, potentially harming a participant, yet remain free from liability. Due process provisions need to be put in place.</b></p> <p>93.</p> <p>94. <i>Protest of Enron Power Marketing, Inc. ("Enron"), Docket Nos. EC96-19-008 and ER96-1663-009, filed November 21, 1997 ("Enron I").</i></p>	<p><i>Enron I</i> at 2.</p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
<p>65. <b>95. Section 2.3.2 of the MMIP allows the ISO to "publicize such activities or behavior and it's recommendations thereof, in whatever medium it believes most appropriate." The ISO should not publicize its investigations and label a participant as engaging in anticompetitive behavior before an official enforcement action has begun.</b></p> <p>96.</p> <p>97. <i>Enron.</i></p>	<p><i>Enron I</i> at 2-3.</p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
<p>66. <b>98. Section 4.5.2 of the MMIP is objectionable because a participant that fails to comply with arbitrary and possibly unreasonable demands from the ISO for information is subject to sanctions. Safeguards must be placed against discovery abuses by the ISO. Otherwise, the ISO can wrongfully threaten participants to reveal information.</b></p> <p>99.</p> <p>100. <i>Enron.</i></p>	<p><i>Enron I</i> at 3.</p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
<p>67. <b>101. With respect to the discussion of protocol and activity rule changes (MMIP section 7.1), Tariff changes (MMIP section 7.2) and sanctions and penalties (MMIP section 7.3), Enron objects to these provisions allowing the ISO Governing Board to make changes to the protocols without Commission approval.</b></p> <p>102.</p> <p>103. <i>Enron.</i></p>	<p><i>Enron I</i> at 3.</p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
<p>68. <b>104. MMIP 2.3.3 in appropriate circumstances permits the Market Surveillance Unit to institute ADR procedures involving participants to determine whether a particular practice is better characterized as improper gaming or legitimate aggressive competition. This should not be a matter subject to ADR. The monitoring protocols set up elaborate committees and their judgment should not be subject to ADR.</b></p> <p>105.</p> <p>106. <i>Motion to Intervene of the Northern California Power Agency ("NCPA"), Protest, Request for Further Proceedings, and Motion for Summary Modification Or Rejection of ISO Submission, Docket Nos. EC96-19-008 and ER96-1663-009, filed November 21, 1997 ("NCPA I").</i></p>	<p><i>NCPA I</i> at 10-11.</p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>

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69.	<p><b>107. Amendments to sections 2.5.28.1 and 2.3.4.4.2 of the ISO Tariff are not explained.</b></p> <p>108.</p> <p>109.NCPA.</p>	NCPA I at 11.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
70.	<p><b>110. Section 2.5.24 states that the ISO has the authority to suspend Metered Subsystem control and to direct the operation of the Metered Subsystem's units, if necessary to maintain Grid reliability. This language is overbroad and the ISO's authority to suspend Metered Subsystem's control and to place its units under the ISO control should be limited to time of emergencies only.</b></p> <p>111.</p> <p>112.Motion to Intervene and Comments of Turlock Irrigation District ("Turlock"), Docket Nos. EC96-19-008 and ER96-1663-009, filed November 21, 1997 ("Turlock I").</p>	Turlock I at 15.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
71.	<p><b>113. It is not clear why the ISO is proposing to amend the Metered Subsystem Regulation Error provision.</b></p> <p>114.</p> <p>115. Turlock.</p>	Turlock I at 15.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
72.	<p><b>116. Intent of the Metered Subsystem definition needs to be clarified.</b></p> <p>117.</p> <p>118. Turlock.</p>	Turlock I at 16-17.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
73.	<p><b>119. The proposal to modify Sections 2.5.3.2 and 2.5.20.1 of the Tariff fails to recognize other firm purchases. Utilities purchasing firm power will now be required to carry Operating Reserves for those purchases.</b></p> <p>120.</p> <p>121.Protest and Request for Clarification on the Standard of Review for This Filing by the Sacramento Municipal Utility District ("SMUD"), Docket Nos. EC96-19-008 and ER96-1663-009, filed November 21, 1997 ("SMUD I").</p>	SMUD I at 8.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
74.	<p><b>122. Strict reading of amended Section 2.5.20.1 would require SMUD to pay for reserves twice, both on firm purchases and pursuant to the reserve requirement of the ISO.</b></p> <p>123.</p> <p>124.SMUD.</p>	SMUD I at 8.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
75.	<p><b>125. Amendment to Section 2.5.24 is objectionable. Previously, the section states that "the ISO shall monitor the provision of Regulation from a MSS" via a MSRE. Now, the "ISO shall monitor the performance of a MSS via a MSRE." This amendment gives the ISO unfettered authority to suspend MSS operations if it determines that (i) it is necessary to maintain reliability or (ii) if the MSS does not conform with Good Utility Practice. This change is inconsistent with Section 5 of the Tariff in addition to allowing the ISO to act unrestrained in non-emergency situations.</b></p> <p>126.</p> <p>127.SMUD.</p>	SMUD I at 10.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.

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76.	<p><i>128. Amended Sections 2.5.6.2 and 2.5.22.10 pass off added responsibilities to Scheduling Coordinators. The Scheduling Coordinators will undoubtedly claim that their costs are increasing (without any corresponding decrease in costs to the ISO). Such costs could then be passed on through the GMC. This subsequently will result in the failure to match cost responsibility with cost causation.</i></p> <p>129. 130.SMUD.</p>	SMUD I at 11-12.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
77.	<p><i>131. Revised definition of the “Existing Operating Agreement” would limit the formation of MSSs to those agreements entered into between the ISO and Existing Operating Entities prior to the ISO Operations Date. No explanation as to why such a limitation is justified.</i></p> <p>132. 133.SMUD.</p>	SMUD I at 12.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
78.	<p><i>134. SMUD disagrees with amended Section 2.4.4.5 which states that the “ISO will require” an automated solution using its “Congestion Management software” to deal with transmission rights under Existing Contracts. In many instances, those rights are implemented manually by existing control area operators. SMUD has seen no technical justification from the ISO that past practices in this regard cannot be implemented by the ISO. Further, the ISO’s proposal is inconsistent with the Commission’s recognition of the need to accommodate Existing Contracts.</i></p> <p>135. 136.SMUD.</p>	SMUD I at 14.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
79.	<p><i>137. Proposed amendment to Section 7.3.2 deletes reference to the Grid Operations Charge – IntraZonal Congestion – but fails to reflect that certain Scheduling Coordinators will not be providing Adjustment bids such that the ISO will be using them to manage IntraZonal Congestion. SMUD suggests new language.</i></p> <p>138. 139.SMUD.</p>	SMUD I at 14-15.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
80.	<p><i>140. SBP 2.4.2 raises the issue of adjustments for Transmission Losses. As proposed, this protocol fails to include the appropriate treatment for losses under Existing Contracts. The ISO should recognize that certain SCs or MSSs have the right to absorb internal losses within their systems and should not be subject to being charged for losses twice.</i></p> <p>141. 142.SMUD.</p>	SMUD I at 23.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
81.	<p><i>143. SBP addresses changes to the operating instructions that RPTOs submit on behalf of holders of Existing Rights. It is entirely possible that this presents a violation of Existing Rights, and if so, must be revised.</i></p> <p>144. 145.SMUD.</p>	SMUD I at 23-24.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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82.	<p><i>146. The Ancillary Services Requirements Protocols suffer from the ISO's back-pedaling in order to justify the short-comings of the software instead of providing ground rules to foster a reasonable market for such products. SMUD's primary concern is the constant use of the reference to Zonal determination in the need for various Ancillary Services. The ISO makes no commitments to the resolution of this issue.</i></p> <p>147. 148. SMUD.</p>	SMUD I at 24.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
83.	<p><i>149. The balkanization of the Ancillary Services markets creates a situation where Ancillary Services cannot be competitively supplied across Zones and thereby potentially creates thinner, less competitive markets.</i></p> <p>150. 151. SMUD.</p>	SMUD I at 24-25.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
84.	<p><i>152. DP 6.9 is very general and understanding of how the ISO will implement this function is not given. SMUD provides language suggestions.</i></p> <p>153. 154. SMUD.</p>	SMUD I at 25-26.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
85.	<p><i>155. DP 6.9.2(c) leaves only the ISO to resolve problems with the ISO Control Area. The ISO must also have the responsibility and authority to instruct other subregions to take corrective action to ensure reliability of the grid.</i></p> <p>156. 157. SMUD.</p>	SMUD I at 25.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
86.	<p><i>158. DP 7 and DP 8.1 do not recognize Existing Right and Non-Converted Rights holders within the hour scheduling rights.</i></p> <p>159. 160. SMUD.</p>	SMUD I at 26.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
87.	<p><i>161. DP 10 proposes a prioritized schedule for shedding and restoring load and adjusting generation to manage Emergencies. One of the most likely Emergencies is the loss of transmission ties. The ISO must put the restoration of transmission ties as the first priority, then the restoration of load.</i></p> <p>162. 163. SMUD.</p>	SMUD I at 26-27.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
88.	<p><i>164. The Qcharge, in the SABP substitutes the term metered "consumption" for metered "Demand." Consumption is undefined and creates ambiguity.</i></p> <p>165. 166. SMUD.</p>	SMUD I at 27.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
89.	<p><i>167. Grid Operations Charge, SABP Appendix B 2.2, substitutes and employs the undefined term "consumption" in calculating the charge.</i></p> <p>168. 169. SMUD.</p>	SMUD I at 27.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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90.	<p><b>170. The ISO must continue to develop its protocols, and accelerate that development if necessary, in order to provide market participants the ability to trade through more than one Scheduling Coordinator.</b></p> <p>171. 172. Motion to Intervene and Protest of Electric Clearinghouse Inc. ("ECI") on October 31, 1997 Submittals, Docket Nos. EC96-19-006, et al., filed November 21, 1997 ("ECI I").</p>	ECI I at 6.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
91.	<p><b>173. The ISO, in the Outage Coordination Protocol, must defer to generators' existing maintenance schedules when coordinating maintenance outages so as not to impose additional conditions or burdens on these facilities.</b></p> <p>174. 175. ECI.</p>	ECI I at 6 and 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
92.	<p><b>176. ASRP 5.8.2 and ASRP 6.5.2 are objectionable. Scheduling Coordinators must be permitted the flexibility to procure ancillary services from outside the ISO controlled grid.</b></p> <p>177. 178. ECI.</p>	ECI I at 6.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
93.	<p><b>179. Scheduling Coordinators, under section 8.1 of the SABP, must not be forced to invest in systems to accommodate the processing of ISO invoices via EDI. This procedure is burdensome and unnecessary.</b></p> <p>180. 181. ECI.</p>	ECI I at 6 and 12-13.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
94.	<p><b>182. ASRP section 4.3 refers to Regulation by Zone. It is unclear why the ISO seeks to define Regulation by Zone, inasmuch as the physics of the system as a whole will determine whether there is an area control error (ACE) for the entire grid. The ISO should be required to clarify why it apparently intends to control based on Zones rather than the ACE for the entire grid.</b></p> <p>183. 184. ECI.</p>	ECI I at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
95.	<p><b>185. ASRP 5.3.1, ASRP 5.4.2 and ASRP 6.2.2 are confusing, and unnecessary, in that they present no additional qualifications applicable to a Scheduling Coordinator who is seeking to determine whether it would qualify to provide particular service. These provisions should be clarified and should state the minimum requirement applicable to Scheduling Coordinators seeking to provide services, i.e., the ability to provide service for 2 hours.</b></p> <p>186. 187. ECI.</p>	ECI I at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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96.	<p><b>188. ASRP 7.3 is unclear. For instance, it is unclear how a generator would know what "sufficient reactive supply" is if it does not know the substation voltage. In order to provide an adequate level of information to enable generators to make this determination, the ISO must be directed to designate a party responsible for monitoring voltage and a party responsible for providing the signal to change reactive output, as well as set forth the limitations on what steps the receiver of the signal must take in order to provide this service.</b></p> <p>189. 190. ECI.</p>	ECI I at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
97.	<p><b>191. ISO's proposed changes to the Tariff regarding self provision of losses are unworkable and inconsistent with the agreement being reached with parties responsible for administering existing contracts and must be corrected.</b></p> <p>192. 193. Comments of Southern California Edison Company to the California Independent System Operator Corporation's Proposed Tariff Amendments and Motion for Waiver, Docket Nos. EC96-19-010 and ER96-1663-011, filed December 4, 1997 ("Edison").</p>	Edison at 9-10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
98.	<p><b>194. New Section 2.2.7.6 of the Tariff cannot be reviewed at this time because the Existing Operating Agreements do not yet exist. To Edison's knowledge, there are no Existing Operating Agreements in existence and it is not possible to determine whether it is reasonable to permit such agreements to supersede the ISO Tariff.</b></p> <p>195. 196. Edison.</p>	Edison at 11.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
99.	<p><b>197. Section 2.5.20.1 of the Tariff, dealing with allocation of the costs of Ancillary Services, should be revised to use real time demand, rather than schedule</b></p> <p>198. demand. 199. 200. Edison.</p>	Edison at 11-12.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
100.	<p><b>201. Changes to Section 2.5.28.4 of the Tariff were done without explanation. Without any information, it is impossible to determine whether the changes are just and reasonable.</b></p> <p>202. 203. Protest and Comments of the Northern California Power Agency, Docket Nos. EC96-19-010 and ER96-1663-011, filed December 4, 1997 ("NCPA II").</p>	NCPA II at 8.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.

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101.	<p><b>204. Amendment to Section 2.5.7.2 of the Tariff provides that where there is interzonal congestion, the ISO will purchase Ancillary Services in each zone separately. There is no explanation of why this will be done.</b></p> <p>205.</p> <p>206. NCPA.</p>	NCPA II at 8.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
102.	<p><b>207. Proposed amendment to Section 11.2.4.1 of the Tariff consists primarily of unexplained formulae and changes.</b></p> <p>208.</p> <p>209. NCPA.</p>	NCPA II at 8-9.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
103. 104.	<p><b>The provision providing that the EOA will prevail over the SP should be expanded to include any agreement.</b></p> <p>TANC.</p>	TANC I Appendix A at 1.	The Commission will require the to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
105.	<p><b>1. SP sections 3.1.1, 4.1 and others do not provide justification for the changes to the concept of “Balanced Schedules” as defined in the Master Definitions Supplement. At a minimum, the SP should provide more clearly that the “Balanced Schedules” of Metered Subsystems and other existing operating entities will be measured by net load.</b></p> <p>2.</p> <p>3. TANC.</p>	TANC I Appendix A at 1.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
106.	<p><b>4. The consequences of invalidation of an SC’s “submittal” for all Settlement Periods of the Trading Day (SP sections 3.2.6.3, 3.2.8.3 and 3.3.1.3) should be explained.</b></p> <p>5.</p> <p>6. TANC.</p>	TANC I Appendix A at 1.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
107.	<p><b>7. The provisions of section 3.2.9(f) of the SP should be expanded to be consistent with section 3.3.2(f) regarding the lack of need for change if the other Control Area operator’s records are in error. Furthermore, the procedure by which the ISO will determine an “affected SC” regarding the mismatch of inertia schedules should be described.</b></p> <p>8.</p> <p>9. TANC.</p>	TANC I Appendix A at 1.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
108.	<p><b>10. The SP and SBP should recognize that losses may be absorbed internally in a scheduling party’s system.</b></p> <p>11.</p> <p>12. TANC.</p>	TANC I Appendix A at 1 and 5.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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109.	<p>13. <i>Rather than leaving the responsibility for losses under an Existing Contract to the PTO, the SP section 4.3 should provide for losses to be specified in the operating instructions to be developed jointly by the PTO and the Existing Contract rights holder. Moreover, the section should indicate how the ISO will determine for such difference in losses its "mechanism acceptable to the PTO to roll any associated shortfall or surplus into the ISO rates and charges applicable to the PTO" in accordance with Section 2.4.4.4.45 of the ISO Tariff.</i></p> <p>14.</p> <p>15. TANC.</p>	TANC I Appendix A at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
110.	<p>16. <i>Sections 7.1.1, 7.3.1 and 7.4.1 of the SP should provide for information regarding Existing Contracts to be set forth in the operating instructions to be developed jointly by the RPTO and the Existing Contract rights holder.</i></p> <p>17.</p> <p>18. TANC.</p>	TANC I Appendix A at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
111.	<p>19. <i>Section 7.1.2 of the SP should provide that an Existing Rights holder may be an SC or may use an SC other than a RPTO.</i></p> <p>20.</p> <p>21. TANC.</p>	TANC I Appendix A at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
112.	<p>22. <i>The ISO should make clear that TANC's transmission service under the South of Tesla Principles will be treated as "firm" under the SP and ISO Tariff.</i></p> <p>23.</p> <p>24. TANC.</p>	TANC I Appendix A at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
113.	<p>25. <i>The failure to submit an "Adjustment Bid" in the ISO format cannot deny an Existing Contract rights holder its contractual right to firm transmission service. Section 7.2.2(a) of the SP should be modified.</i></p> <p>26.</p> <p>27. TANC.</p>	TANC I Appendix A at 2.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
114.	<p>28. <i>Sections 7.4.4, 7.5, 7.5.1 and 7.5.2 of the SP are confusing in the apparently conflicting attempts to preserve Existing Contract rights that give parties scheduling flexibility after the close of the ISO's Hour-Ahead scheduling process while simultaneously treating those rights as "available for the ISO's uses." The proposed treatment of any use of such Existing Contract scheduling flexibility as giving rise to Imbalance Energy deviations to be priced and accounted to the SC for that rights holder is unwarranted.</i></p> <p>29.</p> <p>30. TANC.</p>	TANC I Appendix A at 3.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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115.	<p>31. <i>The SP (section 9) is not clear as to why the SP repeats the Ancillary Services bidding and pricing provisions from the ISO Tariff, particularly when those provision are not repeated in identical form. It appears that there is the possibility of unnecessary inconsistency in those provisions.</i></p> <p>32.</p> <p>33. TANC.</p>	TANC I Appendix A at 3.	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
116.	<p>34. <i>Section 9.9 of the SP should provide for information regarding Ancillary Services under Existing Contracts to be set forth in the operating instructions to be developed jointly by the RPTO and the Existing Contract rights holder. In addition, the SP should clarify what is necessary to account for the “differences” between Ancillary Services requirements in an Existing Contract and those in the SP.</i></p> <p>35.</p> <p>36. TANC.</p>	TANC I Appendix A at 3.	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
117.	<p>37. <i>Section 10.3 of the SP, addressing Congestion Management and Congestion pricing, do not appear to be sufficiently detailed.</i></p> <p>38.</p> <p>39. TANC.</p>	TANC I Appendix A at 3.	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
118.	<p>40. <i>The Protocols’ references to the Balancing Energy and Ex-Post Pricing software should be more fully explained.</i></p> <p>41.</p> <p>42. TANC.</p>	TANC I Appendix A at 3 and 6.	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
119.	<p>43. <i>SBP section 2.1.1(c) should include a reference to System Units where Generating Units are referenced.</i></p> <p>44.</p> <p>45. TANC.</p>	TANC I Appendix A at 4.	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
120.	<p>46. <i>Sections 2.1.1(e) and 2.1.3(j) of the SBP should recognize that Generating Units owned by Local Publicly Owned Electric Utilities that serve native load are a special category not subject to Overgeneration Protocols.</i></p> <p>47.</p> <p>48. TANC.</p>	TANC I Appendix A at 4.	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>

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121.	<p><b>49. Section 2.1.2(c) of the SBP should recognize that an MSS or other existing operating entity will be measured by net load.</b></p> <p>50.</p> <p>51. TANC.</p>	TANC I Appendix A at 4.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
122.	<p><b>52. Section 2.1.4 of the SBP appears to overlook the operational reality that some SCs may not be TOs and thus their transmission rights may not be subject to Usage Charges and their transactions not subject to ISO congestion management operations or charges. The provision should be revised to account for the foregoing.</b></p> <p>53.</p> <p>54. TANC.</p>	TANC I Appendix A at 4.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
123.	<p><b>55. SBP section 3.2 should provide more clearly for the possibility that a service recipient may have the right to schedule directly to the ISO.</b></p> <p>56.</p> <p>57. TANC.</p>	TANC I Appendix A at 5.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
124.	<p><b>58. Section 3.3.1 and the Appendix to the SBP proposes information requirements and electronic format that do not appear to fully account for the complexity associated with operations relating to the California-Oregon Transmission Project or service pursuant to the South of Tesla Principles. They should provide for the provision of more detailed information for those Existing Contracts that are not amendable to the simple categorizations specified.</b></p> <p>59.</p> <p>60. TANC.</p>	TANC I Appendix A at 5.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
125.	<p><b>61. Sections 3.3.5.1, 3.3.5.2 and 3.4 of the SBP should be revised to provide for parties other than RPTOs to submit operating instructions, as provided in SBP 3.2.</b></p> <p>62.</p> <p>63. TANC.</p>	TANC I Appendix A at 5.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
126.	<p><b>64. Section 3.3.5.2 of the SBP should ensure that the ISO will notify an Existing Rights holder, as well as a PTO, of any perceived problem with operating instructions submitted to the ISO so that it may take appropriate actions, both on its system to preserve reliability and under its contract to preserve its rights. In addition, the section should be revised to limit the ISO discretion to reject revised operating instructions and to delay as long as 7 days in implementing those instructions.</b></p> <p>65.</p> <p>66. TANC.</p>	TANC I Appendix A at 5.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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127.	<p>67. Sections 6.2, 6.4 and 7.2 of the SBP and reference to the “ISO Data Templates and Validation Rules document” should be clarified.</p> <p>68.</p> <p>69. TANC.</p>	TANC I Appendix A at 5.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
128.	<p>70. Section 7.1 of the SBP and the “technical aspects” of the ISO communication mechanisms should be specified by the ISO.</p> <p>71.</p> <p>72. TANC.</p>	TANC I Appendix A at 5.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
129.	<p>73. Section 2.5 of the DP should not include an implication that the SBP and SP may alter the ISO Tariff provisions.</p> <p>74.</p> <p>75. TANC.</p>	TANC I Appendix A at 6.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
130.	<p>76. Sections 6.2.1, 6.2.2 and 6.2.3 of the DP should provide for review of the ISO Register of PTO transmission facilities over which it proposes to accept control, including facilities below 230kV. Moreover, the DP should incorporate provisions setting forth the ISO’s proposed method of exercising Operational Control over facilities that may be owned jointly by PTOs and Non-PTOs.</p> <p>77.</p> <p>78. TANC.</p>	TANC I Appendix A at 6.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
131.	<p>79. Section 6.4 of the DP should not place the ISO in the position of directing PTO exercise of operation and maintenance functions in non-emergency conditions.</p> <p>80.</p> <p>81. TANC.</p>	TANC I Appendix A at 6.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
132.	<p>82. Section 10.4.2 of the DP should not attempt to regulate the discretion of Local Regulatory Authorities with regard to load curtailment programs.</p> <p>83.</p> <p>84. TANC.</p>	TANC I Appendix A at 7.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
133.	<p>85. Section 2.1.1(b) of the ASRP should be deleted. Once the ISO has established its Ancillary Services standards, it should only adjust them in an emergency.</p> <p>86.</p> <p>87. TANC.</p>	TANC I Appendix A at 8.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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134.	<p><b>88. The allocation of Regulation should allow for the exclusion of self-provided Regulation and/or be based on net Demand scheduled with the ISO. Section 4.3 of the ASRP should be modified.</b></p> <p>89.</p> <p>90. TANC.</p>	TANC I Appendix A at 8.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
135.	<p><b>91. Sections 4.5.3 and 5.5.1 of the ASRP should make clear that Ancillary Services may be provided by providers that are indirectly connected to the ISO Controlled Grid.</b></p> <p>92.</p> <p>93. TANC.</p>	TANC I Appendix A at 8.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
136.	<p><b>94. Sections 7.5.2 and 8.5.1 of the ASRP should include a description of the length of the initial procurement period for Voltage Support and Black Start capability and a reference to the subsequent procurement process as set forth in the ISO Tariff.</b></p> <p>95.</p> <p>96. TANC.</p>	TANC I Appendix A at 8.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
137.	<p><b>97. The ISO needs to establish the "Technical Specifications" for metering standards (in the MP) and the technical standards for certification and registration of revenue quality meters as soon as possible.</b></p> <p>98.</p> <p>99. TANC.</p>	TANC I Appendix A at 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
138.	<p><b>100. The definition of "Scheduling Coordinator Metered Entity" (section 1.2.2 of the MP) is over-inclusive, in that it applies to entities that have no connection to the ISO.</b></p> <p>101.</p> <p>102. TANC.</p>	TANC I Appendix A at 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
139.	<p><b>103. The provisions (sections 2.2.4.3 and 2.3.5 of the MP) prohibiting the netting of Generating Unit output and Demand should be clarified as inapplicable to an MSS.</b></p> <p>104.</p> <p>105. TANC.</p>	TANC I Appendix A at 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
140.	<p><b>106. The MP (section 3.1.8) should provide a more complete description of the process for revocation of certification of a Certificate of Compliance for a meter.</b></p> <p>107.</p> <p>108. TANC.</p>	TANC I Appendix A at 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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141.	<p><b>109. The powers and authority of the ISO (as discussed in the MP) in the event of a party's failure to comply with the ISO's audit or test procedures should set forth in the MP to ensure the consistency of application.</b></p> <p>110. 111. TANC.</p>	TANC I Appendix A at 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
142.	<p><b>112. Section 6.1.2 of the MP imposes tight deadlines for meter repair, but it does not specify what action the ISO intends to take in the event repairs are not completed by the deadlines.</b></p> <p>113. 114. TANC.</p>	TANC I Appendix A at 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
143.	<p><b>115. Section 9.1.2 of the MP, giving the ISO control over metered entities' rights to grant access to meter data, appears overly restrictive.</b></p> <p>116. 117. TANC.</p>	TANC I Appendix A at 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
144.	<p><b>118. The ISO should publish its proposed guidelines for granting exemptions from metering requirements (section 13.2(a) of the MP) as soon as possible.</b></p> <p>119. 120. TANC.</p>	TANC I Appendix A at 9.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
145.	<p><b>121. The term "Direct Access" in the SCAP is not defined.</b></p> <p>122. 123. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
146.	<p><b>124. The grounds for ISO rejection of an SC application should be limited to noncompliance with material requirements. Section 3.1(b) of the SCAP should be modified.</b></p> <p>125. 126. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
147.	<p><b>127. The SCAP should specify the time for signing the SC Agreement.</b></p> <p>128. 129. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
148.	<p><b>130. The ISO must provide the form of its proposed software licensing agreement in section 5.1(b) of the SCAP.</b></p> <p>131. 132. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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149.	<p><b>133. The potential requirement for software for the purpose of Validating, Estimating and Editing meter values must be explained in the SCAP sections 5.1(c) and 1.2.2.</b></p> <p>134.</p> <p>135. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
150.	<p><b>136. The requirement of "LAN" service for "EDI" must be explained in the SCAP in explicit detail, including identification of the LAN service intended and the EDI requirements anticipated. Also, the cost of that requirement should be provided.</b></p> <p>137.</p> <p>138. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
151.	<p><b>139. Section 7.2 of the SCAP should specify the results of termination or suspension of SC scheduling rights or rejection of SC schedules.</b></p> <p>140.</p> <p>141. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
152.	<p><b>142. The Application in the SCAP should make clear what form of certification by a rating agency is acceptable to the ISO. The Application should also clarify the requirement of the "executed letter of understanding for payment."</b></p> <p>143.</p> <p>144. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
153.	<p><b>145. The Application requirement of an Electronic Funds Transfer Account should be specified in more detail in the SCAP.</b></p> <p>146.</p> <p>147. TANC.</p>	TANC I Appendix A at 10.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
154.	<p><b>148. The Application (in the SCAP) should make clear what form of confirmation of Scheduling Coordinator authority will be acceptable.</b></p> <p>149.</p> <p>150. TANC.</p>	TANC I Appendix A at 11.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
155.	<p><b>151. The Application in the SCAP should place limits on the "further information" that an Applicant may be required to provide the ISO.</b></p> <p>152.</p> <p>153. TANC.</p>	TANC I Appendix A at 11.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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156.	<p><b>154. Section 5.1.4 of the Tariff specifies that the exemption for Generating Units of less than 10 MW is available only to those units selling their total output to a UDC or to customers connected to the UDC's system. Sections 1.3.2, 2.1 and 4.4.1 of the OCP should be modified.</b></p> <p><b>155.</b></p> <p>156. TANC.</p>	TANC I Appendix A at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
157.	<p><b>157. The references (sections 4.3.5, 4.4.6, 5.6 and 5.9 of the OCP) to the ISO's "security standards, security concerns," and ability to withhold Final Approval of an Outage for reasons of "security or system status of the ISO Grid" should be clarified to specify what circumstances those references anticipate.</b></p> <p><b>158.</b></p> <p>159. TANC.</p>	TANC I Appendix A at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
158.	<p><b>160. Sections 7.3 and 7.4 of the OCP regarding the ISO's communications to Operators or Participating Generators should be clarified as to what forms of communications are acceptable. It does not seem to be necessary that the ISO communicate in the same form as communications that it may receive.</b></p> <p><b>161.</b></p> <p>162. TANC.</p>	TANC I Appendix A at 12.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
159.	<p><b>163. Section 2.1 of the DFP should make clear that SC demand forecasts are not intended to be binding commitments or obligations.</b></p> <p><b>164.</b></p> <p>165. TANC.</p>	TANC I Appendix A at 13.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
160.	<p><b>166. Section 2.1 of the SABP should not attempt to establish matters of "prima facie proof" in advance for purposes of dispute resolution.</b></p> <p><b>167.</b></p> <p>168. TANC.</p>	TANC I Appendix A at 14.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
161.	<p><b>169. Section 2.2.6 of the SABP does not seem necessary. It is not necessary for the ISO to "reasonably accept" a bank that meets the stated standards.</b></p> <p><b>170.</b></p> <p>171. TANC.</p>	TANC I Appendix A at 14.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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162.	<b>172. Section 4.4.2 of the SABP and the time for notifying the ISO of a billing dispute and the process for disputes should not require the submittal of “all available evidence” with the notification. Such evidence can be provided in the ISO’s ADR process.</b> <b>173.</b> 174. TANC.	TANC I Appendix A at 14.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
163.	<b>175. Section 6.10.3 of the SABP should provide more direct notice to, and recourse for, customers of defaulting SCs than posting of a notice on the ISO Home Page.</b> <b>176.</b> 177. TANC.	TANC I Appendix A at 14.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
164.	<b>178. Appendix A (section 3.2) of the SABP should refer to the ISO’s FERC rate filing in the specification of the volume of transactions on which an SC’s GMC will be calculated.</b> <b>179.</b> 180. TANC.	TANC I Appendix A at 14.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
165.	<b>181. Section 1.3.1 of the MMIP should apply to the PX as well as other participants.</b> <b>182.</b> 183. TANC.	TANC I Appendix A at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
166.	<b>184. Section 2.2.1 of the MMIP should identify more clearly the issues that have been raised regarding short-term horizontal market power during the transition phase.</b> <b>185.</b> 186. TANC.	TANC I Appendix A at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
167.	<b>187. Section 3.3.5 of the MMIP should require that an investigation be conducted when a complaint is received.</b> <b>188.</b> 189. TANC.	TANC I Appendix A at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
168.	<b>190. Section 4.1. of the MMIP should specify early dates for commencement of the functions of the ISO Market Surveillance Unit.</b> <b>191.</b> 192. TANC.	TANC I Appendix A at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.

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169.	<p><b>193. Section 5 of the MMIP should make some provisions for some staff to support the activities of the 3 members of the Market Surveillance Committee.</b></p> <p>194.</p> <p>195. TANC.</p>	TANC I Appendix A at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
170.	<p><b>196. Section 6 of the MMIP should provide for a comprehensive scope of review by the ISO Market Surveillance Committee, rather than the narrow scope of functions specified. Moreover, the MMIP should allow for the Committee to present information directly to FERC.</b></p> <p>197.</p> <p>198. TANC.</p>	TANC I Appendix A at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
171.	<p><b>199. Section 8.2 of the MMIP should include provisions for the publication of quantities associated with transactions.</b></p> <p>200.</p> <p>201. TANC.</p>	TANC I Appendix A at 15.	The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.
172.	<p><b>202. Section 2.4.4.4.5 of the Tariff is inconsistent with Section 2.4.4.4.3.</b></p> <p>203.</p> <p>204. TANC.</p>	TANC I at 33.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
173.	<p><b>205. Amendment to Section 2.4.4.4.5 of the Tariff suggests that the holder of Existing Rights under an Existing Contract may be subject “to the relevant ISO Tariff,” presumably of the PTO which is a party to the Existing Contract. Until and unless a party to an Existing Contract converts its rights and becomes a PTO, the TO Tariff will not be applicable to that party.</b></p> <p>206.</p> <p>207. TANC.</p>	TANC I at 33-34.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
174.	<p><b>208. The purpose behind the amendment to Section 2.2.10.8 of the Tariff seems antithetical to the ISO’s market approach.</b></p> <p>209.</p> <p>210. TANC.</p>	TANC I Appendix B at 2.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
175.	<p><b>211. Amendment to Section 2.2.4.7 does not state who provides the SC services after termination of an SC.</b></p> <p>212.</p> <p>213. TANC.</p>	TANC I Appendix B at 2.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.

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176.	<p><b>214. Section 7.4.1 of the Tariff: The ISO cannot initially provide losses, so section 7.4.1 should add ISO undertaking to provide all Ancillary Services as soon as possible.</b></p> <p>215.</p> <p>216. TANC.</p>	TANC I Appendix B at 2.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
177.	<p><b>217. Use of “metered consumption” rather than “metered Demand” (section 8.3) is improper.</b></p> <p>218.</p> <p>219. TANC.</p>	TANC I Appendix B at 2.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
178.	<p><b>220. The deletion of language in Section 11.4.3(g) of the Tariff deletes a crucial item of information.</b></p> <p>221.</p> <p>222. TANC.</p>	TANC I Appendix B at 3.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
179.	<p><b>223. The short review period should not affect an SC’s rights to challenge improper billing after the conclusion of the billing period. Sections 11.6.1.2 and 11.7.2 should be revised.</b></p> <p>224.</p> <p>225. TANC.</p>	TANC I Appendix B at 3.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
180.	<p><b>226. ISO protocols are inconsistent with ISO Tariff, contains ambiguous terms, and reflect errors that should be corrected. Suggested changes to Protocols contained in Appendix A.</b></p> <p>227.</p> <p>228. Comments and Protest of the Metropolitan Water District of Southern California to the October 31, 1997 Compliance Filings of the California Independent Operator System Corporation and California Power Exchange Corporation, Docket Nos. EC96-19-006, <i>et al.</i>, filed November 21, 1997 (“Metropolitan I”).</p>	Metropolitan I Executive Summary.	<p>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</p> <p>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</p>
181.	<p><b>229. Proposed access to Meter Data Acquisition System (MDAS) is unclear. Many equally credible interpretations can be made in Revised Staging Plan No. 1 in regards to the access to the MDAS.</b></p> <p>230.</p> <p>231. Motion to Intervene, Protest and Comments and Motion for Clarification of the Bonneville Power Administration Regarding the California Independent System Operator Corporation and California Power Exchange Corporation Proposed Tariff Amendments Filed November 21, 1997, Docket Nos. EC96-19-010, <i>et al.</i>, filed December 10, 1997 (“BPA II”).</p>	BPA II at 4-5.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.

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182.	<p>232. <b>Amendment to the definition of "Congestion" to include "real time" conditions is problematic. First, the change appears to be permanent although no reason is given for it. To the extent that the algorithm unintentionally drives a change in the Tariff that may not be desirable, what steps are being taken to correct it? Second, it is not clear how the real time Congestion management will be implemented. Third, no indication is given as to how real time inter-zonal Congestion would be managed, if at all. And fourth, it is not clear that the ISO does not intend to manage Congestion at tie points in real time.</b></p> <p>233. 234. BPA.</p>	BPA II at 8-11.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
183.	<p>235. <b>The ISO's proposed amendments to Ancillary Services Bid Evaluation discriminate against parties importing Ancillary Services into the ISO Control Area.</b></p> <p>236. 237. BPA.</p>	BPA II at 11-12.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.
184.	<p>238. <b>Several of the MSS provisions of the ISO Tariff require clarification, including whether a utility can sell Ancillary Services as a System Unit if it is operating under its Interconnection Agreement and the meaning of "self provide" in section 2.5.20.3.</b></p> <p>239. 240. Turlock.</p>	Turlock II at 6-8.	In light of the numerous comments the Commission has received to date on this issue, the Commission finds that there are many issues still unresolved with regards to the Metered Subsystem concept and the related agreements. Therefore, we will address issues related to the Metered Subsystem concept when the ISO completes its Metered Subsystem proposal. 81 FERC at 62,477.
185.	<p>241. <b>Sections 2.5.20.5.1, 2.5.24, 2.5.8 and 2.2.3.3 of the Tariff pertaining to the MSS require clarification.</b></p> <p>242. 243. Turlock.</p>	Turlock II at 8-10.	In light of the numerous comments the Commission has received to date on this issue, the Commission finds that there are many issues still unresolved with regards to the Metered Subsystem concept and the related agreements. Therefore, we will address issues related to the Metered Subsystem concept when the ISO completes its Metered Subsystem proposal. 81 FERC at 62,477.
186.	<p>244. <b>In changes proposed in the ISO's November 21, 1997 tariff amendments, the ISO is proposing new definitions that may or may not be consistent with the August 15 revisions that made DWR eligible for MSS status.</b></p> <p>245. 246. Protest and Request for Further Procedures of the California Department of Water Resources ("DWR"), Docket Nos. EC96-19-010 and ER96-1663-011, filed December 4, 1997 ("DWR I").</p>	DWR I at 3.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,477.
187.	<p>247. <b>Changes proposed in the ISO's November 21, 1997 tariff amendments eliminate competitive provisions of Ancillary Services to the ISO, revise Settlement and Billing provisions to, among other things, reduce the amount of information provided in Preliminary Settlement Statements and the amount of time Market Participants have to review them, apply a within-Zone approach to Ancillary Services obligations and charges, and revise provisions affecting Existing Contracts.</b></p> <p>248. 249. DWR.</p>	DWR I at 4.	All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.

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188.	<p><b>250. Tariff Amendment No. 4: The definition of terms for actual imports and actual exports in the calculation of Imbalance Energy is unclear.</b></p> <p>251.</p> <p>252. Motion to Intervene and Comments of The Bonneville Power Administration Regarding The California Independent System Operator Corporation's Proposed Tariff Amendment No. 4 Filed March 3, 1998, Docket Nos. EC96-19-017 and ER96-1663-018, filed March 16, 1998, ("BPA III").</p>	BPA III at 3-5.	A full understanding of issues related to the ISO Tariff will not be known until after the commencement of service. The Amendment is conditionally accepted subject to certain conditions and modifications, but issues not addressed will be the subject of a future order. 82 FERC ¶ 61,327, at 62,294 (March 30, 1998).
189.	<p><b>253. Tariff Amendment No. 4: The treatment of wheel-through transactions is ambiguous; ISO should clarify its practices with regard to certain curtailment situations.</b></p> <p>254.</p> <p>255. BPA.</p> <p>256.</p> <p>257.</p>	BPA III at 5-7.	A full understanding of issues related to the ISO Tariff will not be known until after the commencement of service. The Amendment is conditionally accepted subject to certain conditions and modifications but issues not addressed will be the subject of a future order. 82 FERC at 62,294.
190.	<p><b>258. Tariff Amendment No. 4: Protest to Amendment to the extent that it is designed to permanently preclude entities from providing Black Start and Voltage Support Services to the ISO Grid.</b></p> <p>259.</p> <p>260. Protest of the California Department of Water Resources, Docket Nos. EC96-19-017 and ER96-1663-018, filed March 16, 1998 ("DWR II").</p> <p>261.</p> <p>262. Protest and Comments on Amendment No. 4 to the ISO Operating Agreement and Tariff and Protocols of The Metropolitan Water District of Southern California, Docket Nos. EC96-19-017 and ER96-1663-018, filed March 16, 1998 ("Metropolitan II").</p>	DWR II at 2-5.  Metropolitan II at 9.	A full understanding of issues related to the ISO Tariff will not be known until after the commencement of service. The Amendment is conditionally accepted subject to certain conditions and modifications but issues not addressed will be the subject of a future order. 82 FERC at 62,294.
191.	<p><b>263. Tariff Amendment No. 4: Opposes elimination of capacity payments for Black Start Generators.</b></p> <p>264.</p> <p>265. DWR.</p> <p>266.</p> <p>267.</p>	DWR II at 5.	A full understanding of issues related to the ISO Tariff will not be known until after the commencement of service. The Amendment is conditionally accepted subject to certain conditions and modifications, but issues not addressed will be the subject of a future order. 82 FERC at 62,294.
192.	<p><b>268. Tariff Amendment No. 4: The proposal to resolve mismatches in the scheduled quantity or location of Inter-Scheduling Coordinator Trades has the effect of decreasing the incentive for submission of balanced trade. The ISO should furnish additional information on the impact of this proposal on Scheduling Coordinators.</b></p> <p>269.</p> <p>270. Metropolitan.</p>	Metropolitan II at 5-6.	A full understanding of issues related to the ISO Tariff will not be known until after the commencement of service. The Amendment is conditionally accepted subject to certain conditions and modifications, but issues not addressed will be the subject of a future order. 82 FERC at 62,294.

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193.	<p><b>271. Tariff Amendment No. 4: Concerning Wheeling Access Charge, objects to ISO posting amendments of filed rates or rate schedules on the ISO Home Page. The effectiveness of rates that are accepted subject to FPA should be determined by reference to rate schedules on file with FERC rather than by notice on private web site.</b></p> <p>272.</p> <p>273. Metropolitan.</p>	Metropolitan II at 8-9.	A full understanding of issues related to the ISO Tariff will not be known until after the commencement of service. The Amendment is conditionally accepted subject to certain conditions and modifications, but issues not addressed will be the subject of a future order. 82 FERC at 62,294.
194.	<p><b>274. Tariff Amendment No. 5: the proposal leaves unanswered the potential impacts for the interrelationship of the ISO's proposal with other amendments and provisions of the ISO, particularly the impact on the Imbalance Energy market.</b></p> <p>275.</p> <p>276. Comments on Amendment No. 5 to the ISO Tariff of the Metropolitan Water District of Southern California, Docket Nos. EC96-19-018 and ER96-1663-019, filed March 16, 1998 ("Metropolitan III").</p> <p>277.</p> <p>278. Protest and Comments on Amendment No. 5 to the ISO Tariff of the Transmission Agency of Northern California, Docket Nos. EC96-19-018 and ER96-1663-019, filed March 16, 1998 ("TANC II").</p>	<p>Metropolitan III at 4-5.</p> <p>TANC II at 4.</p>	A full understanding of issues related to the ISO Tariff will not be known until after the commencement of service. The Amendment is conditionally accepted subject to certain conditions and modifications, but issues not addressed will be the subject of a future order. 82 FERC at 62,294.
195.	<p><b>279. Tariff Amendment No. 5: ISO has not explained whether the Imbalance Energy Market will be sufficiently robust to accommodate the variances permitted by Amendment No. 5 between schedules and real time operations. The impact on Congestion Management in the Day-Ahead and Hour-Ahead markets is not considered and the potential for greater reliance on real time Congestion Management is not explained.</b></p> <p>280.</p> <p>281. TANC.</p>	TANC II at 5.	A full understanding of issues related to the ISO Tariff will not be known until after the commencement of service. The Amendment is conditionally accepted subject to certain conditions and modifications, but issues not addressed will be the subject of a future order. 82 FERC at 62,294.
196.	<p><b>282. Tariff Amendment No. 6: Correction to bill calculations procedure is not clear on how charges would be applied to transactions covered under existing contracts; the adjustments would result in unjust and unreasonable charges to Scheduling Coordinators.</b></p> <p>283.</p> <p>284. Motion to Intervene and Protest by the Western Area Power Administration, Docket Nos. EC96-19-021 and ER96-1663-022, filed April 7, 1998 ("WAPA").</p>	WAPA at 4-6.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications, and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
197.	<p><b>285. Tariff Amendment No. 6: The ISO has not justified its proposed temporary change to the Real-Time Market for Imbalance Energy, and the proposed changes to the Imbalance Energy pricing mechanism raise significant concerns. If accepted, the definitions of "BEEP Interval Ex Post prices" and "Uninstructed Imbalance Energy" require clarification.</b></p> <p>286.</p> <p>287. Protest to Amendment No. 6 to the ISO Operating Agreement and Tariff and Protocols and Request for Suspension and Hearing of the Metropolitan Water District of Southern California, Docket Nos. EC96-19-021 and ER96-1663-022, filed April 9, 1998 ("Metropolitan IV").</p>	Metropolitan IV at 7, 10-11.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications, and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.

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198.	<p><b>288. Tariff Amendment No. 6: New section 24 regarding physical restraints on schedules proposed by the ISO should be a permanent provision.</b></p> <p>289.</p> <p>290. Metropolitan.</p> <p>291.</p>	Metropolitan IV at 11.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications, and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
199.	<p><b>292. Tariff Amendment No. 6: the proposed changes regarding Overgeneration Management are inconsistent with prior orders and are discriminatory.</b></p> <p>293.</p> <p>294. Numerous intervenors in Docket Nos. EC96-19-021 and ER96-1663-022 (each filed April 9, 1998), including:</p> <p>295.</p> <p>296. Motion to Intervene and Protest of Enron Power Marketing, Inc. ("Enron II");</p> <p>297.</p> <p>298. Protest, Motion to Reject, In Part, and Request for Hearing of the Transmission Agency of Northern California ("TANC III");</p> <p>299.</p> <p>300. Protest of the California Department of Water Resources to Amendment 6 ("DWR III"); and</p> <p>301.</p> <p>302. Motion to Intervene of Turlock Irrigation District ("Turlock III").</p>	Metropolitan IV at 12-15, Enron II at 10-11, TANC III at 3-5, DWR III at 2-3, Turlock III at 3.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
200.	<p><b>303. Tariff Amendment No. 6: The proposed changes to give load an implicit priority in congestion management violate the terms of existing contracts, are inconsistent with FERC orders and must be rejected.</b></p> <p>304.</p> <p>305. Motion to Reject, In Part, Protest and Request for Hearing Regarding Amendment No. 6 to the ISO Operating Agreement and Tariff Submitted on Behalf of the Cities of Redding and Santa Clara, California, and the M-S-R Public Power Agency, Docket Nos. EC96-19-021 and ER96-1663-022, filed April 9, 1998 ("Cities/M-S-R 4/9/98").</p>	Metropolitan IV at 16, TANC III at 5-6, Cities/M-S-R 4/9/98 at 7.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
201.	<p><b>306. Amendment No. 6: Clarification required of Default Usage Charge ("DUC") "day-prior notice" language.</b></p> <p>307.</p> <p>308. Metropolitan.</p> <p>309.</p>	Metropolitan IV at 16.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.

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202.	<p><b>310. Tariff Amendment No. 6: ISO has not adequately explained proposed revisions to Appendices B and H to the Settlement and Billing Protocol.</b></p> <p>311.</p> <p>312. <i>Metropolitan.</i></p>	<p><i>Metropolitan IV at 17.</i></p>	<p><i>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</i></p>
203.	<p><b>313. Tariff Amendment No. 6: ISO must clearly state the procedures and the priority of those procedures it will use in an effort to avoid aborting the Day-Ahead Market.</b></p> <p>314. <i>Interventions in Docket Nos. EC96-16-021 and ER96-1663-022 (each filed April 9, 1998), including:</i></p> <p>315. <i>Protest on Behalf of the Cities of Anaheim, Colton, and Riverside, California and the Cities of Azusa and Banning, California (“Southern Cities II”);</i></p> <p>316. <i>Notice of Intervention and Comments of the Public Utilities Commission of the State of California (“CPUC”); and</i></p> <p>317. <i>Motion to Intervene and Comments of The Bonneville Power Administration Regarding The California Independent System Operator Corporation’s Proposed Tariff Amendment No. 6 Filed March 23, 1998 (“BPA IV”).</i></p>	<p><i>Metropolitan IV at 18, Southern Cities II at 4-5, CPUC at 6-7, TANC III at 7, BPA IV at 4-6.</i></p>	<p><i>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</i></p>
204.	<p><b>318. Tariff Amendment No. 6: ISO should clarify that it will make available information on the amounts flowing through the Neutrality Adjustment and when it proposes to make such information available.</b></p> <p>319.</p> <p>320. <i>Motion to Intervene and Protest of Electric Clearinghouse, Inc., Docket Nos. EC96-19-021 and ER96-1663-022, filed April 9, 1998 (“ECI II”).</i></p>	<p><i>ECI II at 5.</i></p>	<p><i>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</i></p>
205.	<p><b>321. Tariff Amendment No. 6: Once sufficient data is gathered, the ISO should include the Neutrality Adjustment in the form of a stated rate under the ISO Tariff.</b></p> <p>322.</p> <p>323. <i>ECI.</i></p> <p>324.</p>	<p><i>ECI II at 6.</i></p>	<p><i>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</i></p>
206.	<p><b>325. Tariff Amendment No. 6: The proposed DUC requires more explanation regarding how the ISO will operate the Usage Charge plan and set the applicable floor and ceiling of the DUC.</b></p> <p>326.</p> <p>327. <i>Motion to Intervene of Houston Industries Power Generation, Inc., Docket Nos. EC96-19-021 and ER96-1663-022, filed April 9, 1998 (“HIPG”).</i></p>	<p><i>HIPG at 6, CPUC at 6.</i></p>	<p><i>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</i></p>

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207.	<p><b>328. Tariff Amendment No. 6: The Overgeneration proposal does not comply with FERC's October 30 directive that Scheduling Coordinators address their own Overgeneration problems.</b></p> <p>329.</p> <p>330. Protest by the Sacramento Municipal Utility District to Amendment No. 6 of the ISO Operating Agreement and Tariff, Docket Nos. EC96-19-021 and ER96-1663-022, filed April 9, 1998, ("SMUD II").</p>	SMUD II at 3.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
208.	<p><b>331. Tariff Amendment No. 6: ISO should clarify the role of Supplemental Energy bids in its real-time Overgeneration Management.</b></p> <p>332.</p> <p>333. Motion to Intervene and Comment of Los Angeles Department of Water and Power on California Independent System Operator Corporation's March 23, 1998 Filing (Amendment No. 6), Docket Nos. EC96-19-021 and ER96-1663-022, filed April 9, 1998 ("LADWP").</p>	LADWP at 3.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
209.	<p><b>334. Amendment No. 6: FERC urged to establish cap on the Neutrality Adjustment that can be collected through SABP 3.1.1 and require ISO to file any proposal to collect in excess of limits.</b></p> <p>335.</p> <p>336. Southern Cities.</p>	Southern Cities II at 5-7.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
210.	<p><b>337. Tariff Amendment No. 6: The DUC proposal is unreasonable and will not address the PX's gaming problems.</b></p> <p>338.</p> <p>339. Enron, DWR.</p>	Enron II at 5-6, DWR III at 4.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
211.	<p><b>340. Tariff Amendment No. 6: The DUC proposal is discriminatory against non-incumbent users of the ISO Grid, which do not have the ability to submit Adjustment Bids.</b></p> <p>341.</p> <p>342. Enron.</p>	Enron II at 7.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
212.	<p><b>343. Tariff Amendment No. 6: The DUC proposal is inconsistent with the agreed-on policy that Scheduling Coordinators seeking to use the ISO's grid for bilateral transactions outside the PX should not be mandated to submit adjustment bids.</b></p> <p>344.</p> <p>345. Enron.</p>	Enron II at 3.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.

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213.	<p><b>346. Tariff Amendment No. 6: Sections 2.3.4.2 and 2.3.4.3 should be modified to establish that both Scheduling Coordinators and adjacent Control Areas will be offered the identical ability to purchase energy at negative prices prior to ISO taking action under Section 2.3.4.4.</b></p> <p>347.</p> <p>348. Enron.</p>	Enron II at 11.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</p>
214.	<p><b>349. Tariff Amendment No. 6: ISO should submit proposed procedures for selecting which resources will be the target of mandatory schedule reductions under Section 2.3.4.5.</b></p> <p>350.</p> <p>351. Enron.</p>	Enron II at 11-12.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</p>
215.	<p><b>352. Tariff Amendment No. 6: Further clarification is required on the justification for paying Instructed Units the highest incremental energy price upon ISO dispatch of the Units to supply the Real-Time Imbalance Market.</b></p> <p>353.</p> <p>354. CPUC.</p>	CPUC at 6.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</p>
216.	<p><b>355. Tariff Amendment No. 6: Clarification required regarding the pricing structure for Supplemental Energy and energy supplied by Ancillary Services.</b></p> <p>356.</p> <p>357. CPUC.</p>	CPUC at 6.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</p>
217.	<p><b>358. Tariff Amendment No. 6: Issues related to Congestion Management remain unclear.</b></p> <p>359.</p> <p>360. CPUC.</p>	CPUC at 6.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</p>
218.	<p><b>361. Tariff Amendment No. 6: Proposed changes to the pricing mechanism for Imbalance Energy require clarification, including the definition of Uninstructed Imbalance Energy.</b></p> <p>362.</p> <p>363. TANC.</p>	TANC III at 3.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</p>

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219.	<p><b>364. Tariff Amendment No. 6: Proposed changes to Settlement and Billing Protocol, Appendix C, section C.2.2.3 of relating to Replacement Reserve capacity Charges is inconsistent with cost causation and self-provision concepts.</b></p> <p>365.</p> <p>366.TANC.</p>	TANC III at 7.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</p>
220.	<p><b>367. Tariff Amendment No. 6: Section 11.2.4.2 proposed change to avoid System Emergencies violates WSCC practices and procedures as they relate to imports, and the term "imports" should be struck.</b></p> <p>368.</p> <p>369.BPA.</p>	BPA IV at 3.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</p>
221.	<p><b>370. Tariff Amendment No. 6: Staging Plan 3 submitted on April 6, 1998 does not provide the expected duration of temporary amendments.</b></p> <p>371.</p> <p>372.DWR.</p>	DWR III at 2.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,29295.</p>
222.	<p><b>373. Tariff Amendment No. 6: The latitude in use of a neutrality adjustment should only be a temporary aspect of ISO operation.</b></p> <p>374.</p> <p>375.DWR.</p>	DWR III at 6.	<p>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,29295.</p> <p>We agree that the ISO Participants and the Commission need to know with greater certainty which of the proposed amendments are intended to be permanent and which are intended to be temporary, and if temporary, the expected duration of such amendments. In the October 30 Order, we required the PX and the ISO to inform the Commission of tariff provisions that will be staged and the timing of future implementation. Our rulings are equally applicable for implementing changes proposed by the ISO in the instant filings which we are accepting for filing. Accordingly, we will direct the ISO to provide such information under the procedures discussed above (i.e., promptly post on the ISO Home Page, etc.). 82 FERC at 62,294.</p>

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223.	<p><b>376. Tariff Amendment No. 6: Guidelines to assure reasonable results for BEEP should be proposed including audit procedures.</b></p> <p>377.</p> <p>378. <i>Motion to Intervene and Limited Protest of Pacific Gas and Electric Company to Amendment No. 6 to the ISO Operating Agreement and Tariff, Docket Nos. EC96-19-021 and ER96-1663-022, filed April 9, 1998, ("PG&amp;E").</i></p>	PG&E at 4.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
224.	<p><b>379. Tariff Amendment No. 6: The consideration of Supplemental Energy and Ancillary Services bids should undergo stakeholder review after commencement of ISO operations.</b></p> <p>380.</p> <p>381. PG&amp;E.</p>	PG&E at 5-6.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
225.	<p><b>382. Tariff Amendment No. 6: ISO should expedite development of improved electronic transfers of Dispatch instructions to ensure more accurate dispatching instructions; the dispatch instructions should indicate whether the instruction is an emergency or out of market instruction.</b></p> <p>383.</p> <p>384. PG&amp;E.</p>	PG&E at 7.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
226.	<p><b>385. Tariff Amendment No. 6: When ISO does call on a Generating Unit, either directly or through SC, for Imbalance Energy or other resources support necessary to meet the ISO's real time requirements, the Settlement for Instructed Imbalance Energy, Tariff section 11.2.4.1.1, should apply rather than the Net Settlements for Uninstructed Imbalance Energy, Tariff section 11.2.4.1.</b></p> <p>386.</p> <p>387. PG&amp;E.</p>	PG&E at 8.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
227.	<p><b>388. Tariff Amendment No. 6: There needs to be close coordination between the ISO, PX and other SCs on changes affecting settlements and billing to assure that all necessary information to complete and review settlements is available, and that adequate lead time to make necessary program changes is provided after changes and FERC orders.</b></p> <p>389.</p> <p>390. PG&amp;E.</p>	PG&E at 8-9.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.
228.	<p><b>391. Tariff Amendment No. 6: Settlement and Billing Protocol Appendix H term "SCPUOT" needs clarification.</b></p> <p>392.</p> <p>393. PG&amp;E.</p>	PG&E at 11.	Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.

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229.	<p>394. <i>Tariff Amendment No. 6: Commission should confirm that the ISO has control over Generating Units which are not associated with the ISO Controlled Grid or are not operated by an ISO participant only to the extent that such non-participants' contracts or other arrangements allow the ISO to assert such control in a System Emergency.</i></p> <p>395.</p> <p>396. <i>Cities/M-S-R.</i></p>	<p><i>Cities/M-S-R 4/9/98 at 4-5.</i></p>	<p><i>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications , and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95</i></p>
230.	<p>397. <i>Tariff Amendment No. 6: ISO has not adequately justified its proposed modification to the neutrality adjustment.</i></p> <p>398.</p> <p>399. <i>Cities/M-S-R.</i></p>	<p><i>Cities/M-S-R 4/9/98 at 8.</i></p>	<p><i>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</i></p>
231.	<p>400. <i>Tariff Amendment No. 6: ISO proposal in transmittal letter that in certain conditions it will attempt to eliminate Overgeneration by exports of Energy to one or more adjoining Control Areas at no cost or negative price should also be extended to within the ISO Control Area.</i></p> <p>401.</p> <p>402. <i>Turlock.</i></p>	<p><i>Turlock III at 3-4.</i></p>	<p><i>Commission conditionally accepts Amendment No. 6 for filing, subject to certain conditions and modifications and subject to further Commission orders. The notice period in the Dockets for Amendment No. 6 had not yet been closed at the time of this order. Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62,292-95.</i></p>
231.	<p><i>Section 3.1.2 if the UDC Agreement erroneously refers to "Other Tax-Exempt Bonds" while the text does not mention other tax-exempt bonds.</i></p> <p><i>Turlock</i></p>	<p><i>Turlock's 11/21/97 comments in Docket Nos. EC96-19-008 and ER96-1663-009 at 4</i></p>	<p><i>[W]e agree with the commenters that the most sensible approach is to address in this order only those issues that require resolution prior to the ISO Operations Date. ..Other issues not addressed by this order will be addressed in a subsequent order." 81 FERC ¶ 61,320 (Dec. 17, 1997) at 62,470.</i></p>
232.	<p><i>Section 3.4 of the UDC Agreement should specify that it does not override the Existing Operating Agreement. TID 11/21 at 4.</i></p> <p><i>Turlock</i></p>	<p><i>TID 11/21/97 at 4</i></p>	<p><i>[W]e agree with the commenters that the most sensible approach is to address in this order only those issues that require resolution prior to the ISO Operations Date. ..Other issues not addressed by this order will be addressed in a subsequent order." 81 FERC ¶ 61,320 (Dec. 17, 1997) at 62,470.</i></p>
233.	<p><i>The Schedules to the UDC Agreement appear unnecessarily broad (e.g., advance scheduling and approval of maintenance are not currently required under Turlock's Existing Agreement with PG&amp;E).</i></p> <p><i>Turlock</i></p>	<p><i>TID 11/21/97 at 5</i></p>	<p><i>[W]e agree with the commenters that the most sensible approach is to address in this order only those issues that require resolution prior to the ISO Operations Date. ..Other issues not addressed by this order will be addressed in a subsequent order." 81 FERC ¶ 61,320 (Dec. 17, 1997) at 62,470.</i></p>
234.	<p><i>The UDC Agreement should not empower the ISO to override Local Regulatory Authorities (e.g., Section 5.1, on installation of equipment).</i></p> <p><i>Turlock</i></p>	<p><i>TID 11/21/97 at 6</i></p>	<p><i>[W]e agree with the commenters that the most sensible approach is to address in this order only those issues that require resolution prior to the ISO Operations Date. ..Other issues not addressed by this order will be addressed in a subsequent order." 81 FERC ¶ 61,320 (Dec. 17, 1997) at 62,470.</i></p>

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235.	<i>Liability and Indemnification should be bilateral (UDC Agreement § 9.1; similar issue in other pro forma agreements).</i>  <i>Turlock</i>	TID 11/21/97 at 6-7	<i>[W]e agree with the commenters that the most sensible approach is to address in this order only those issues that require resolution prior to the ISO Operations Date. ..Other issues not addressed by this order will be addressed in a subsequent order." 81 FERC ¶ 61,320 (Dec. 17, 1997) at 62,470.</i>
236.	<i>Section 5.1 of the PGA should not include suspension of trading rights as a sanction.</i>  <i>Turlock</i>	TID 11/21/91 at 8-9	<i>[W]e agree with the commenters that the most sensible approach is to address in this order only those issues that require resolution prior to the ISO Operations Date. ..Other issues not addressed by this order will be addressed in a subsequent order." 81 FERC ¶ 61,320 (Dec. 17, 1997) at 62,470.</i>
237.	<i>Utilities should be able to execute the EOA after the ISO Operations Date (EOA §§ 3.4, 8.1)</i>  <i>Turlock</i>	TID 11/21/97 at 10	<i>The Commission agreed, 81 FERC at 62,477, but stated that it will address MSS issues when the ISO completes and files its proposal</i>
238.	<i>The EOA requires more data than necessary for the ISO to effectively operate its system (e.g., Sections 3.4, 4.3 call for information that is unit specific, and not in accord with the System Unit concept).</i>  <i>Turlock</i>	TID 11/21/97 at 11-12	<i>"We agree with Turlock that unique characteristics of certain systems may require modification to the data requirements. However, as a general matter we believe that it is appropriate for the pro forma EOA to contain the proposed data requirements. To the extent entities such as Turlock negotiate different data submission requirements with the ISO, that is an issue best addressed in their individual executed EOAs." 81 FERC at 62,475.</i>
239.	<i>EOA § 9.1 would allow the sanction of suspension of trading rights, and EOA § 12.1 provides one-way, rather than bilateral liability and indemnification.</i>  <i>Turlock</i>	TID 11/21/97 at 13	<i>[W]e agree with the commenters that the most sensible approach is to address in this order only those issues that require resolution prior to the ISO Operations Date. ..Other issues not addressed by this order will be addressed in a subsequent order." 81 FERC ¶ 61,320 (Dec. 17, 1997) at 62,470.</i>
240.	<i>The GMC should only be applied to use of the ISO Controlled Grid (ISO Tariff § 8.3)</i>  <i>Turlock</i>	TID 11/21/98 at 17-18	
241.	<i>Potential Metered Subsystems should not be required to execute an EOA by the ISO Operations Date.</i>  <i>Turlock</i>	<i>Turlock Irrigation District's Dec. 3, 1997 comments, filed in Docket Nos. EC96-19-010, ER96-1663-011 ("TID 12/04"), at pages 4-6.</i>	<i>"In particular, we find that it is inappropriate to require entities to sign an Existing Operating Agreement before the details of the ISO's proposal are known. While we are accepting the ISO's proposed pro forma Existing Operating Agreement for filing, our action should not be interpreted as obligating a party to execute an Existing Operating Agreement before the ISO Operations Date." 81 FERC ¶ 61,320 (Dec. 17, 1997) at 62,477.</i>
242.	<i>Turlock noted that several of the agreements tendered in Docket Nos. EC96-19-012, ER96-1663-013 did not include the completed schedules.</i>  <i>Turlock</i>	<i>Turlock Irrigation District's comments dated Jan. 16, 1998 ("TID 01/16") at 3-4.</i>	

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243.	<p><i>The Neutrality Adjustment must be relatively small, as represented.</i></p> <p>Turlock</p>	<p><i>Turlock Irrigation District's April 9, 1998, comments, filed in Docket Nos. EC96-19-021, ER96-1663-022 ("TID 04/09"), at page 4.</i></p>	
244.	<p><i>The purpose of Amendment No. 10 is to bolster the thin Ancillary Services market; the ISO should finish development of and implement the Metered Subsystem concept to enable utilities to bid ancillary services from System Units.</i></p> <p>Turlock</p>	<p><i>Turlock Irrigation District's July 30, 1998, comments, filed in Docket Nos. EC96-19-035, ER96-1663-036 ("TID 07/30"), at pages 2-3.</i></p>	<p><i>The FERC approved a draft order on Amendment No. 10 at its meeting on October 14, 1998</i></p>
245.	<p><i>A double standard arises in that Section 5 of the ISO Tariff requires a PGA for schedulers of Ancillary Services from within the ISO Controlled Grid, but Amendment No. 10 does not require a PGA for generation provided from outside the ISO Control Area; if utilities outside the ISO Control Area do not need a PGA for scheduling System Resources, then neither do utilities that would be scheduling into the ISO Control Area at their interconnections with the ISO Controlled Grid.</i></p> <p>Turlock</p>	<p><i>TID 7/30/98 at 3-4</i></p>	<p><i>The FERC approved a draft order on Amendment No. 10 at its meeting on October 14, 1998</i></p>
246.	<p><i>The ISO should revise its software so that interruptible exports may also qualify as Spinning Reserves.</i></p> <p>Turlock</p>	<p><i>TID 7/30/98 at 4</i></p>	<p><i>The FERC approved a draft order on Amendment No. 10 at its meeting on October 14, 1998</i></p>
247.	<p><i>The ISO should explain and provide details of how it proposes to control the output of Generating Units and Interconnection schedules under DP 9.1.1.</i></p> <p>Turlock</p>	<p><i>TID 7/30/98 at 4-5</i></p>	<p><i>The FERC approved a draft order on Amendment No. 10 at its meeting on October 14, 1998</i></p>
248.	<p><i>Section 2.5.20.3 should be reinstated, once again giving the MSS the ability to "utilize a System Unit to participate in the procurement process of the ISO in relation to any Ancillary Service other than Regulation." In addition, the proposed modification to the definition of MSS, striking the MSS' express right to bid Ancillary Services into the PX and ISO Markets, should be rejected. SMUD is unaware of any FERC order requiring such a change or any technical reason for closing the already thin Ancillary Services Market to MSSs.</i></p> <p>SMUD</p>	<p><i>SMUD II at 4-5</i></p>	
249.	<p><i>The ISO's proposal to delete from Section 2.5.3.1 reference to System Resources from the resources capable of providing Regulation Service to the ISO, fails to recognize that System Units can provide Regulation Service.</i></p> <p>SMUD</p>	<p><i>SMUD II at 5</i></p>	

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250.	<p><i>The ISO has failed to revise the definition of "Existing Operating Agreement" as required by the Commission's December 17, 1997 Order.</i></p> <p>SMUD</p>	SMUD II at 5-6	
251.	<p><i>The right of the ISO pursuant to Section 2.4.4.5.1.6 to use Existing Rights and Non-Converted Rights that have not been scheduled by the start of the ISO's Hour-Ahead Scheduling process should be stricken if such a requirement is inconsistent with the Existing Rights or Non-Converted Rights.</i></p> <p>SMUD</p>	SMUD II at 6	
252.	<p><i>The ISO proposes additions to Section 7.1.3.1 that incorrectly limit the self-sufficiency credit associated with Existing Contracts for the delivery of power to only those contracts with Participating Transmission Owners. If this language was intended to clarify or further define the requirements for the Self-Sufficiency test, then it should be modified because it incorrectly limits the credits used to determine Self-Sufficiency. The language should be modified to state that: "To the extent that a Participating TO has Existing Contracts with a the Participating TO to which it is physically connected..." Such a modification would allow all valid power supply or delivery contracts to qualify for Self-Sufficiency purposes as intended by the Commission.</i></p> <p>SMUD</p>	SMUD II at 6-8	
253.	<p><i>The ISO's proposal regarding Section 7.2.6.2 to change RMR generation from a reliability tool to an Intra-Zonal Congestion management tool by using Adjustment Bids to accommodate RMR contracts during times of Intra-Zonal Congestion should be rejected because it does not fully comply with FERC orders, and is otherwise unjust and unreasonable. Furthermore, the ISO proposal will obscure costs and severely damage the ability to recognize whether the new zones should be created pursuant to the criteria set out in Section 7.2.7.</i></p> <p>SMUD</p>	SMUD II at 8-10	
254.	<p><i>Section 7.2.5.2.7 of the ISO Tariff seems to allow the ISO to curtail scheduled Generation and Demand of non-Participating TOs if Adjustment Bids do not alleviate congestion on the Inter-Zonal interface.</i></p> <p>SMUD</p>	SMUD II at 10	
255.	<p><i>SMUD proposes that the ISO add a new Section 1.3(f) to the ISO Tariff which would state as follows:</i></p> <p><i>1.3 In this ISO Tariff, unless the context otherwise requires:... (f) where terms of the ISO Protocols or Pro Forma Agreements are inconsistent or conflict with terms of the ISO Tariff, the terms of the ISO Tariff shall provide guidance in interpreting such inconsistency or conflict.</i></p> <p>SMUD</p>	SMUD II at 10-12	
256.	<p><i>SMUD notes that there must be a stated manner in the ISO Tariff by which inconsistencies in the Tariff, Protocols and Pro Forma Agreements should be read, as mandated in the Commission's December 17 Order.</i></p> <p>SMUD</p>	SMUD II at 11-12	

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257.	<p><i>The term "Scheduling Coordinator Metering Entity" in the ISO Tariff should be eliminated as not responsive to FERC orders.</i></p> <p>SMUD</p>	SMUD II at 12	
258.	<p><i>The definition of Metered Subsystem ("MSS") must recognize and provide for "Literal Self-Provision of Ancillary Services and the bidding and sale of Ancillary Services and Energy to the PX and ISO from a system unit." Furthermore, the Commission should reject the ISO's proposal which conditions a MSS on operating "in accordance with Existing Contracts and an Existing Operating Agreement." Such a requirement could potentially preclude SMUD from operating under Existing Contracts, and thus prevent SMUD from being a MSS.</i></p> <p>SMUD</p>	SMUD II at 12-13	
259.	<p><i>Section 2.3.4.4 of the ISO Tariff must adopt a "bury your own dead approach" as mandated by the Commission in its October 30 Order, rather than place an even greater burden for resolving the Overgeneration problem on entities that are operating in load/resource balance, like SMUD. The ISO must not have authority under this provision which exceeds that provided in the existing SMUD-PG&amp;E Interconnection Agreement. In addition, Overgeneration should be addressed in the day ahead market so as to minimize depletion of Adjustment Bids and the burden on real time operations.</i></p> <p>SMUD</p>	SMUD II at 14-16	
260.	<p><i>Section 2.5.22.8 of the ISO Tariff on Intra Zonal Congestion change permitting the ISO "to direct the redispatch of resources within the Zone" in the event that no incremental or decremental bids are available to alleviate intra-zonal congestion impermissibly grants the ISO control over generation that is not participating in the market. This authority is also at odds with Section 5.1.3. These modifications do not do what was required in the Commission's October 30, 1997 Order requiring the ISO to file comprehensive Intra-Sonal Congestion Management Protocols so that the Commission and Market Participants can understand how such congestion is managed by the ISO.</i></p> <p>SMUD</p>	SMUD's August 17, 1998 Intervention and Protest in ER98-3760, at 5-8 (SMUD III)	ISO, 84 FERC 61,217 "The proposed revisions are an adjunct to the ISO's June 1, 1998 Compliance Filing on this issue. Accordingly, we will accept the proposed clarification subject to the outcome of the ISO's Compliance Filing proceeding."
261.	<p><i>SBP4, Adjustment Bids modification does not comply with the ISO's process for handling Overgeneration and should not be used to manage Intra-Zonal Congestion and Overgeneration.</i></p> <p>SMUD</p>	SMUD III at 8.	ISO, 84 FERC 61,217. Commission accepted "proposed change, subject to the outcome of the Compliance Filing Proceeding."
262.	<p><i>Tariff Amendment No. 6. The ISO tariff rule regarding physical feasibility of schedules should not be implemented. The proposed ISO rule would require a major PX tariff revision, and it is not feasible for the PX to accommodate the ISO's scheduling rule.</i></p> <p>PX</p>	California PX protest filed April 14, 1998 at 6-8	Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62, 292-95.

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263.	<i>Tariff Amendment No. 6. The ISO's tariff lacks sufficient detail to determine precisely how the Default Usage Charge (DUC) will be implemented and is subject to interpretations which produce inappropriately high DUCs. Attachment 1 to the PX protest proposes an implementation which would result in an efficient DUC.</i>  <i>PX</i>	<i>PX at 8-9 and Attachment 1</i>	<i>Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62, 292-95</i>
264.	<i>Tariff Amendment No. 6. The ISO Software will change SC Adjustment Bids in at least two circumstances, causing misallocation of ATC, sub-optimal redispatch during congestion management and higher prices in the PX. Attachment 2 provides an analysis of the problem.</i>  <i>PX</i>	<i>PX at 9-12 and Attachment 2</i>	<i>Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62, 292-95</i>
265.	<i>Tariff Amendment 6. The ISO proposed to introduce changes with respect to the Neutrality Adjustment Charge (NAC). The additional charges that the ISO proposes to add to the NAC are zonal in nature and occur hourly. The ISO should revise the changes in the NAC to correct flaws in the calculations, publish an audit trail of each component of the NAC, and develop allocations per zone per hour per detailed charge.</i>  <i>PX</i>	<i>PX at 12-14</i>	<i>Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62, 292-95</i>
266.	<i>Tariff Amendment No. 6. The proposed Load Preference Rule may impose an unwanted financial obligation on suppliers because the supplier may have to produce or purchase additional energy at a loss. This proposal is problematic for owners of generators with a variable maximum output. Moreover, the proposal is discriminatory since it would not be applied to external suppliers selling into the ISO market.</i>  <i>PX</i>	<i>PX at 14-15</i>	<i>Commission will address substantive issues raised by intervenors in a future order. 82 FERC at 62, 292-95</i>
267.	<i>Tariff Amendment No. 7. The changes to the ISO Schedules and Bids Protocol and Scheduling Protocol that describe priorities for Reliability Must-Run Generation and Existing Contract rights are not acceptable. PX, as a Scheduling Coordinator, cannot supply the kind of information called for by the ISO's stated curtailment procedures. This aspect of Amendment 7 needs to be revised.</i>  <i>PX</i>	<i>PX Protest filed 5/1/98 at 2-5</i>	<i>Amendment No. 7 was conditionally accepted subject to refund and subject to future orders. 83 FERC at 61, 209 (5/28/98)</i>
268.	<i>Tariff Amendment No. 8. The ISO Tariff does not give it the authority to require all Scheduling Coordinators to include RMR dispatch in their Hour-Ahead Schedules. The PX software will not support the proposed requirement. The matter of financial settlements has not been resolved and would be compounded by the ISO's proposed requirement. PX</i>	<i>PX Protest filed 6/8/98 at 2-5</i>	<i>By accepting Amendment No. 8, FERC did not address the proper treatment of RMR unit dispatch when the PX implements the Hour-Ahead market. 83 FERC at 62, 271 (6/24/98)</i>
269.	<i>Tariff Amendment No. 9. Firm Transmission Rights (FTRs) could further reduce participation in the Schedule Adjustment Bid (SAB) market. The thinning of the SAB market would reduce the efficiency of the transmission auction process.</i>  <i>PX</i>	<i>PX protest filed 7/20/98 at 4-5</i>	<i>No order yet on Amendment No. 9</i>
270..	<i>Tariff Amendment No. 9. FTRs encourage gaming related to intentional over-scheduling of transmission. FTR holders could game the system by over-scheduling to create paper congestion in the day-ahead market while avoiding any penalties for deviations in real time.</i>  <i>PX</i>	<i>PX protest filed 7/20/98 at 5-7</i>	<i>No order yet on Amendment No. 9</i>

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271.	<i>Tariff Amendment No. 9. The movement of significant portions of FTRs to the secondary market could reduce price transparency. The lack of transparency will make market decisions less efficient and will impede the ability of the ISO to monitor market abuses.</i>  PX	<i>PX protest filed 7/20/98 at 7-8</i>	<i>No order yet on Amendment No. 9</i>
272.	<i>Tariff Amendment No. 9. The ISO must ensure that its FTR scheduling procedures do not allow FTR holders to receive scheduling priority for non-FTR deliveries. An FTR holder may obtain priority access to transmission above and beyond its FTR capacity.</i>  PX	<i>PX protest filed 7/20/98 at 8-9</i>	<i>No order yet on Amendment No. 9</i>
273.	<i>ASRP improperly double counts the reserve obligation for imports</i>  BPA	<i>BPA I at 10</i>	
274.	<i>MMIP is overbroad and vague</i>  BPA	<i>BPA I at 16-20</i>	
275.	<i>New section 7.4.2 of the tariff is unnecessary and improperly prohibits trades of losses among SCs</i>  BPA	<i>BPA I at 26-29</i>	
276.	<i>Request clarification that the ISO does not have the authority to sanction BPA</i>  BPA	<i>BPA Comp. Filing at 9</i>	
277.	<i>Modify ISO Tariff sections 2.2.11.2.2, 2.2.11.2.4 and 2.2.11.2.5 to include System Resources</i>  BPA	<i>BPA Comp Filing at 6-7</i>	
278.	<i>Identify how Inter-Scheduling Coordinator Trades where Scheduling Coordinators portfolios contain only Inter-Schedule Coordinator Trades (ISO Tariff section 2.2.11.3.4)</i>  BPA	<i>BPA Comp Filing at 7</i>	
279.	<i>Modify ISO Tariff sections 2.2.13.1.2 through 2.2.13.3.1.4 to include System Resources</i>  BPA	<i>BPA Comp Filing at 7-8</i>	
280.	<i>Modify ISO Tariff section 2.5.6.1 to remove the requirement that System Resources provide reactive power information</i>  BPA	<i>BPA Comp Filing at 9-10</i>	
281.	<i>Complete the sentence in ISO Tariff section 2.5.22.4.1</i>  BPA	<i>BPA Comp Filing at 10</i>	
282.	<i>Modify ISO Tariff section 2.5.24 to reflect the use of Dynamic Schedules to verify the performance of Ancillary Services</i>  BPA	<i>BPA Comp Filing at 11-12</i>	

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283.	<i>Modify ISO Tariff section 5.6.2 to remove the words System Resource from the section</i>  BPA	BPA Comp Filing at 11-13	
284.	<i>Modify the ASRP Appendices to include System Resources as a means of providing Ancillary Services</i>  BPA	BPA Comp Filing at 15-16	
285.	<i>Imbalance Energy Calculation for tie points is contrary to WSCC and should be consistent with Section 2.5.27 of the ISO Tariff</i>  BPA	BPA Amend. 4	<i>The Commission acknowledged BPA concern but no resolution</i>
286.	<i>Entities with Existing Contracts should not be required to sign a new Existing Operating Agreement, as required by Section 2.2.7.6, as a condition of receiving service under an Existing Contract. Protection of section limited to and discriminates against entities which did not enter into an Existing Operating Agreement prior to the ISO Operations Date. Same objections to definition of Existing Operating Agreement.</i>  <i>Comments and Protest of the Transmission Agency of Northern California to the November 21, 1997 and November 26, 1997 Section 205 Tariff Amendments, Revised Staging Plan No. 1 and Motions for Waiver of the California Independent System Operator Corporation, Docket Nos. EC96-19-010, filed December 4, 1997 ("TANC 12/4 Comments")</i>	<i>TANC 12/4 Comments at 20-21 and Appendix A at 2.</i>	<i>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</i>
287.	<i>Scheduling Coordinators may not be able to obtain Operating Reserves immediately upon undertaking to provide Scheduling Coordinator services as required by Section 2.5.20.2.</i>  TANC	<i>TANC I Appendix B at 1.</i>	<i>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,476.</i>
288.	<i>Definition section in each ISO Protocol should be revised to delete phrase "Unless the context requires" in conformance with the December 17 Order respecting various ISO pro forma agreements.</i>  TANC.	<i>TANC I, Appendix A at 1, 4, 6, 8, 9, 10, 12, 13, 14 and 15.</i>	<i>Metropolitan and TANC note that this provision inappropriately allows terms to have different meanings under certain circumstances and requests that this language be deleted to avoid confusion and uncertainty. We agree that this clarification is necessary and require that this language be deleted from the agreements. 81 FERC at 62,473.</i>
289.	<i>Each ISO Protocol contains an introductory provision that states that "unless the context requires" any "inconsistency between the Protocol and the ISO Tariff is to be resolved in favor of the ISO Tariff. Referenced provision in each Protocol should be revised in accordance with December 17 Order.</i>  TANC.	<i>TANC I, Appendix A at 1, 4, 6, 8, 9, 10, 13, 14 and 15.</i>	<i>The ISO and PX Tariffs should be the guiding documents with respect to all inconsistencies and disputes between the Tariffs, Protocols, pro forma Agreements and all other agreements entered into by the ISO, PX, and Market Participants. While the Commission will initially require that all ISO and PX Protocols be filed under Section 205 of the FPA, this action in no way diminishes the preeminent position of the ISO and PX Tariffs vis-à-vis the Protocols. Accordingly, the ISO and PX are directed to revise Section 1 of their respective pro forma Agreements. 81 FERC at 62,471.</i>

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290.	<i>The ISO's proposed penalties and sanctions cannot be evaluated until they have been provided to the Commission and interested parties for review.</i>  TANC.	TANC I, Appendix A at 6, 7, 8, 14 and 15.	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
291.	<i>Sections 5.8.2 and 6.5.2 of the ASRP should make clear that Ancillary Services may be provided by providers that are indirectly connected to the ISO Controlled Grid.</i>  TANC.	TANC I, Appendix A at 8.	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
292.	<i>SBP 2.2.2 should recognize that losses may be absorbed internally in a scheduling party's system.</i>  TANC.	TANC I, Appendix A at 5.	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
293.	<i>SABP 1.2.4 should more appropriately reference "prevailing Pacific time" to avoid confusion during daylight saving time.</i>  TANC.	TANC I, Appendix A at 14.	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
294.	<i>The ISO's prohibition on portfolio bidding for inter-zonal access, ancillary services, and supplemental energy discriminates against in-area non-incumbents and creates inefficiencies in the market. In addition, the ISO's zonal model is unnecessarily complex and hinders the operation of the market.</i>  Enron	CCEM 7/23/97 comments in EC96-19-003, et al. ("CCEM I")	<i>The Commission has not addressed this issue.</i>
295.	<i>All Schedule Coordinators - not just incumbents - should be able to operate metered subsystems.</i>  CCEM 6/6/97 filing in EC96-19-003, et al. ("CCEM II")  Enron	CCEM II at 29-30	<i>In its October 30<sup>th</sup> Order, the Commission agreed that allowing a Scheduling Coordinator to qualify as a Metered Subsystem operator "is a critical feature and urge[d] the ISO Governing Board to consider the issue with a high priority." 81 FERC at 61,496. The Commission "urge[d] the ISO to act expeditiously to resolve all parties concerns." Id. at 61,500</i>
296.	<i>The PX and the ISO should be separate and their functions should be unbundled completely to ensure comparability.</i>  Enron	CCEM II at 19-27	<i>The Commission has not addressed this issue.</i>
297.	<i>EPMI seeks clarification that the Commission's grant of market-based rate authority does not apply to the Companies' adjustment bids and supplemental energy bids.</i>  Request of Enron Power Marketing for Clarification Docket Nos. EC96-19-001, et al. filed 12/1/97 ("Enron IV")	Enron IV at 3	<i>The Commission has not addressed this issue.</i>
298.	<i>The ISO should treat all resources within a zone on a zonal basis – all resources within a zone should be treated identically for purposes of interzonal rights allocation, supplemental energy, and ancillary services but the ISO software does not do this.</i>  CCEM 9/2/97 filing in Docket Nos. EC96-19-003, et al ("CCEM III")	CCEM III at 17-21	<i>The Commission has not addressed this issue.</i>

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299.	<i><b>ISO Tariff § 2.2.4.6.1:</b> To make clear that the jurisdictional status of an entity will not change by virtue of membership or participation in the ISO, the phrase "by an entity subject to the jurisdiction of the FERC" should be added to §2.2.4.6.1 in the first line, after "given."</i>		
	<i>Southern Cities</i>		
300.	<i><b>ISO Tariff § 2.4.4.3.1.2:</b> As the section is drafted, it is not clear what it is intended to prohibit. If it means that a recipient of ISO service cannot obtain transmission over facilities not turned over to the ISO, there is no apparent justification for such a restriction. The provision should be clarified to state that, "The recipient . . . shall obtain all future transmission services over facilities subject to the control of the ISO using the ISO's scheduling and operational procedures and protocols . . . ."</i>		
	<i>Southern Cities</i>		
301.	<i><b>ISO Tariff § 2.4.4.5.1.6:</b> The second sentence is inconsistent with the Commission's ruling that the ISO must honor flexible scheduling rights, 81 FERC at page 61,471, and it must be deleted.</i>		
	<i>Southern Cities</i>		
302.	<i><b>ISO Tariff §2.5.9</b> refers to the provision of information to Market Participants, but the body of the section appears to limit access to general system information to SCs. The potential recipients of information referenced in the body of the section should be changed to Market Participants, consistent with the title.</i>		
	<i>Southern Cities</i>		
303.	<i><b>ISO Tariff §5.2.3,</b> second sentence, should make reference to Local Regulatory Authority where the designated unit is not subject to the jurisdiction of the FERC.</i>		
	<i>Southern Cities</i>		
304.	<i><b>ISO Tariff §11.2.9 and Settlement and Billing Protocol §3.1.1</b> appear to provide the ISO virtually unlimited ability to impose additional charges styled as "Neutrality Adjustments." Although the Southern Cities agree that the ISO should have some flexibility to address incidental revenue/payment imbalances, that flexibility should have reasonable limits. Significant cost items should be charged to the market participants that cause them to be incurred. There should be a cap on the Neutrality Adjustments that can be collected through SABP 3.1.1, and the ISO should file with the Commission any proposal to collect Neutrality Adjustments in excess of the established limits.</i>		
	<i>Southern Cities</i>		
305.	<i><b>ISO Tariff §13.3.5.1:</b> The last sentence affords arbitrators too much discretion to create agreements. The traditional role of arbitrators is to interpret contracts, not create new ones. It is inappropriate to grant an arbitrator authority to impose an obligation that has never been agreed upon.</i>		
	<i>Southern Cities</i>		

## Appendix B - Unresolved Issues Matrix

306.	<i><b>The definition for “Non-ISO Participant” should be deleted from the <u>Master Definitions in the ISO Tariff</u>, because the term does not appear to be used in the ISO Tariff, the Transmission Control Agreement, the PX Tariff or the pro forma TO Tariff. In the absence of any identification as to where and how the term is used, the definition should be deleted.</b></i>  <i>Southern Cities</i>		
307.	<i><b>Ancillary Services Requirements Protocol §10.7.2:</b> In the last line, “10” should be changed to “11.”</i>  <i>Southern Cities</i>		
308.	<i><b>Ancillary Services Requirements Protocol §10.7.2:</b> In the last line, “10” should be changed to “11.”</i>  <i>Southern Cities</i>		
309.	<i><b>Settlement and Billing Protocol §6.9 (c):</b> Default Amounts that cannot be recovered should be recovered by the ISO through the Grid Management Charge. There is no apparent justification for shifting responsibility for Default Amounts on the basis of proportional amounts that happened to be owed by ISO Debtors or due to ISO Creditors on the Payment Date that the default occurred. Uncollectable debts are a cost of doing business that should be recovered in the same manner as other ISO costs of doing business.</i>  <i>Southern Cities</i>		
310.	<i><b>Schedules and Bids Protocol §3.3.2:</b> The caption for this section should read “Curtailement under Emergency and Non-Emergency Conditions,” and each circumstance should be addressed in a subsection.</i>  <i>Southern Cities</i>		
311.	<i><b>Scheduling Protocol §7.1.2:</b> Since the exercise of Existing Rights and Non-Converted Rights is not subject to the Schedules and Bids Protocol or the Scheduling Protocol, the following should be appended to the last sentence of this section: “...; provided, that nothing contained in an ISO Protocol or an ISO agreement shall limit or restrict the exercise of Existing Rights or Non-Converted Rights unless such restriction or limitation is agreed to by the holders of such rights.”</i>  <i>Southern Cities</i>		
312.	<i><b>Scheduling Protocol §7.2.1:</b> In the eighth line, the phrase “, except as provided in SP 7.4,” is inconsistent with the Commission’s October 30, 1997 Order and should be deleted.</i>  <i>Southern Cities</i>		
313.	<i><b>Scheduling Protocol §7.2.2:</b> In the third, sixth and seventh lines, the phrase “,except as may be limited by the operation of SP 7.4,” is inconsistent with the Commission’s October 30, 1997 Order and should be deleted.</i>  <i>Southern Cities</i>		

## Appendix B - Unresolved Issues Matrix

314.	<p><i>Definition section in each ISO Protocol should be revised to delete phrase "Unless the context requires" in conformance with the December 17 Order respecting various ISO pro forma agreements.</i></p> <p><i>Metropolitan</i></p>		<p><i>Metropolitan and TANC note that this provision inappropriately allows terms to have different meanings under certain circumstances and requests that this language be deleted to avoid confusion and uncertainty. We agree that this clarification is necessary and require that this language be deleted from the agreements. 81 FERC at 62,473.</i></p>
315.	<p><i>Each ISO Protocol contains an introductory provision that states that "unless the context requires" any "inconsistency between the Protocol and the ISO Tariff is to be resolved in favor of the ISO Tariff. Referenced provision in each Protocol should be revised in accordance with December 17 Order.</i></p> <p><i>Metropolitan</i></p>		<p><i>The ISO and PX Tariffs should be the guiding documents with respect to all inconsistencies and disputes between the Tariffs, Protocols, pro forma Agreements and all other agreements entered into by the ISO, PX, and Market Participants. While the Commission will initially require that all ISO and PX Protocols be filed under Section 205 of the FPA, this action in no way diminishes the preeminent position of the ISO and PX Tariffs vis-à-vis the Protocols. Accordingly, the ISO and PX are directed to revise Section 1 of their respective pro forma Agreements. 81 FERC at 62,471.</i></p>
316.	<p><i>Each ISO Protocol allows for the ISO Governing Board to review and approve proposed changes to the Protocols. These sections should be revised to provide for filing of all Protocol changes with the Commission for review and approval of any amendment prior to implementation.</i></p> <p><i>Metropolitan</i></p>		
317.	<p><i>The ISO's use of Adjustment Bids in SBP 4.6 to establish the relative priorities of transmission service for Existing Contracts and other types of transactions is inappropriate and lends itself to the ISO unilaterally modifying the terms and conditions of Existing Contracts.</i></p> <p><i>Metropolitan</i></p>		

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318.	<p><i>Section 2.4.4.4.5 terms governing the resolution of differences in the treatment of Transmission Losses and Ancillary Services under an Existing Contract and the ISO Tariff bilaterally or through the relevant TO Tariff is objectionable. Implies that an Existing Rightsholder will be responsible for payment of additional rates or charges not contemplated by the Existing Contract. Also implies that holder of Existing Rights under an Existing Contract may be subject to the relevant TO Tariff and also may result in the ISO's interference with rights and obligations of Existing Contracts in violation of the October 30 Order.</i></p> <p><i>Metropolitan</i></p>		<p><i>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,477.</i></p>
319.	<p><i>Section 2.5.3.4 of the ISO Tariff, which requires the ISO to procure all of its needed Voltage Support through its Reliability Must-Run Contracts, is unjust and unreasonable. The section is at cross purposes with the objectives of both AB1890 and previous Commission orders which have the principal objective of fostering competition, increasing the efficiency of the market and reducing Energy costs.</i></p> <p><i>Metropolitan</i></p>		
320.	<p><i>Section 8.3 of the ISO Tariff fails to create a defined term for "monthly metered consumption" and does not otherwise reflect the settlement among the parties in Docket No. ER98-211-000, et al.</i></p> <p><i>Metropolitan</i></p>		
321.	<p><i>The ISO's allocation of Unaccounted for Energy Losses to wholesale customers, through Section 11.2.4.3 of the ISO Tariff, improperly shifts distribution-related costs to wholesale customers.</i></p> <p><i>Comments and Protest of The Metropolitan Water District of Southern California to the August 15, 1997 Compliance Filing of the California Independent System Operator Corporation, Docket Nos. EC96-19-003, et al., filed September 2, 1997. ("Metropolitan's 9/2 Comments")</i></p>	<p><i>Metropolitan's 9/2 Comments at 51-52</i></p>	<p><i>The ISO's treatment of UFE losses is reasonable. 81 FERC at 61,522.</i></p>
322.	<p><i>Changes are necessary to Sections 2.5.3.2 and 2.5.20.1 of the ISO Tariff to provide further clarification concerning Operating Reserves for firm purchases outside the ISO Control Area.</i></p> <p><i>Comments and Protest to the November 21, 1997 and November 26, 1997 Tariff Amendments, Revised Staging Plan No. 1, and Motion for Waiver of the California Independent System Operator Corporation and the California Power Exchange Corporation of The Metropolitan Water District of Southern California, Docket Nos. EC96-19-010, et al., filed December 4, 1997 ("Metropolitan's 12/4 Comments")</i></p>	<p><i>Metropolitan's 12/4 Comments, Appendix A at 1.</i></p>	<p><i>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,477.</i></p>

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323.	<i>The term "End Use Scheduling Coordinator Metering Entities" in Section 10.6.6.2 of the ISO Tariff is confusing. The ISO should clarify this term and its intentions regarding certification of meters.</i>  <i>Metropolitan</i>	<i>Metropolitan's 12/4 Comments, Appendix A at 2.</i>	<i>All issues raised by these filings, including but not limited to issues regarding Tariff amendments not addressed in this order, will be the subject of a future order. 81 FERC at 62,477.</i>
324.	<i>ASRP 4.2.2 needs to be clarified to specify the location and time period of the Participating Generator's responsibilities.</i>  <i>Metropolitan</i>	<i>Metropolitan I, Appendix A at 18.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
325.	<i>ASRP App. A5, App. B5, App. C5 and App. E5 should have specific response times added.</i>  <i>Metropolitan</i>	<i>Metropolitan I, Appendix A at 20-21.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
326.	<i>The Voltage Support requirements in ASRP 7.3 vary significantly from Section 2.5.4.3 if the ISO Tariff. Power factors for Participating Generators not operating under specified agreements are inconsistent with the power factors of Section 2.5.3.4. Also, ASRP 7.3 does not address Voltage Support requirements for Loads as does Section 2.5.4.3.</i>  <i>Metropolitan</i>	<i>Metropolitan I, Appendix A at 19-20.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
327.	<i>The DFP should include a more fully developed discussion of the specific data and methods the ISO will use for Demand forecasting.</i>  <i>Metropolitan</i>	<i>Metropolitan I, Appendix A at 5.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
328.	<i>DFP 4.2 does not, but should, explain how the ISO will reconcile large differences between the Consolidated SC forecast and the Independent ISO Forecast.</i>  <i>Metropolitan</i>	<i>Metropolitan I, Appendix A at 6.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>

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329.	<p><i>There is no framework or foundation provided in the DP regarding the relationship of various components or aspects of the ISO's reliability system.</i></p> <p><i>Metropolitan</i></p>	<p><i>Metropolitan I, Appendix A at 10.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
330.	<p><i>DP 2.1.3 should be revised to require the ISO to accept Local Reliability Criteria when new participants join the ISO as required by the TCA.</i></p> <p><i>Metropolitan</i></p>	<p><i>Metropolitan I, Appendix A at 10.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
331.	<p><i>DP 3.6.1 is overly broad in that the ISO should be concerned only with transmission assets and Entitlements under the ISO's Operational Control in accordance with the TCA, as not all PTO transmission assets are owned or controlled by the PTO.</i></p> <p><i>Metropolitan</i></p>	<p><i>Metropolitan I, Appendix A at 11.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
332.	<p><i>In addition to the variables listed in DP 3.8.3, Control Areas need to exchange Scheduling Point Data.</i></p> <p><i>Metropolitan.</i></p>	<p><i>Metropolitan I, Appendix A at 11.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
333.	<p><i>DP 3.9.1 inconsistently applies the communications requirements with the ISO, as Existing Operating Entities may or may not be Scheduling Coordinators, and Scheduling Coordinators are the primary contact with the ISO.</i></p> <p><i>Metropolitan</i></p>	<p><i>Metropolitan I, Appendix A at 12.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
334.	<p><i>The term "jurisdiction" in DP 6.2 is inaccurate, not defined and confusing.</i></p> <p><i>Metropolitan</i></p>	<p><i>Metropolitan I, Appendix A at 12.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
335.	<p><i>The authority of the ISO to direct the physical operation of the ISO Controlled Grid in DP 9.1.1(a) and (c) cannot be exercised in violation of the terms of an Existing Contract absent emergency conditions.</i></p> <p><i>Metropolitan.</i></p>	<p><i>Metropolitan I, Appendix A at 13.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>

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336.	<i>The provisions of DP 10.2.7 for setting priorities to shed and restore Load in consultation with Participants, should not preclude the ISO from using a different schedule, if necessary.</i>  <i>Metropolitan</i>	<i>Metropolitan I, Appendix A at 13.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
337.	<i>MP 3.1.8 sets forth the grounds for the ISO's revocation of a Certificate of Compliance for a particular meter, but should be expanded to include a discussion of the consequences of such revocation.</i>  <i>Metropolitan.</i>	<i>Metropolitan I, Appendix A at 23.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
338.	<i>The general guidelines for exemptions from metering requirements referenced in MP 13.2(a) should be published as soon as possible for comments.</i>  <i>Metropolitan.</i>	<i>Metropolitan I, Appendix A at 23.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
339.	<i>OCP 2.2.1 and 3.2.1, which establish the information required to be submitted to the ISO, does not include the requirements established in OCP 7.1</i>  <i>Metropolitan.</i>	<i>Metropolitan I, Appendix A at 2.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
340.	<i>OCP 3.2.2 should be expanded to include a discussion regarding the ISO's Outage Coordination Office's ability to request a Maintenance Outage, or to request a change in an Approved Maintenance Outage pursuant to Section 2.3.3.6 of the ISO Tariff.</i>  <i>Metropolitan.</i>	<i>Metropolitan I, Appendix A at 3.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
341.	<i>OCP 4.3.4, 4.4.5 and 5.5 must be revised to allow a Generator or Participating TO to change the Outage once the Outage has begun since it is common that Outages do not go as planned.</i>  <i>Metropolitan.</i>	<i>Metropolitan I, Appendix A at 3.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>
342.	<i>OCP 4.4.3 contains an incorrect cross-reference. OCP 4.3.4 should be changed to OCP 4.4.2.</i>  <i>Metropolitan.</i>	<i>Metropolitan I, Appendix A at 4.</i>	<i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i>

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343.	<p><i>OCP 5.9 and DP 6.8 reference each other with respect to rescheduling of a canceled Outage. The ISO must clearly establish the procedures for rescheduling an Outage.</i></p> <p><i>Metropolitan.</i></p>	<p><i>Metropolitan I, Appendix A at 4.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
344.	<p><i>SBP 2.1.4's assignment of Usage Charges between Scheduling Coordinators in an Inter-Scheduling Coordinator Trade is unclear. The ISO should confirm the assignment of Usage Charges and provide a rationale for this allocation formula.</i></p> <p><i>Metropolitan.</i></p>	<p><i>Metropolitan I, Appendix A at 16.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
345.	<p><i>The rating agency certification in SCAP, App. A, 3.1 and 3.2 is unclear., and needs the certification requirements clarified.</i></p> <p><i>Metropolitan.</i></p>	<p><i>Metropolitan I, Appendix A at 15.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
346.	<p><i>SP 3.1.5 is inconsistent with Section 2.2.8.3 of the ISO Tariff. Section 2.2.8.3 requires that the Revised Schedule be balanced and seek to reduce or eliminate Congestion, while SP 3.1.5 only requires the Revised Schedule to be balanced.</i></p> <p><i>Metropolitan.</i></p>	<p><i>Metropolitan I, Appendix A at 7.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
347.	<p><i>With regard to Metered Subsystems, Existing Contracts , or non-converted transmission contracts, SP 4.2.1 (c) should recognize that losses may be absorbed internally in a scheduling party's system.</i></p> <p><i>Metropolitan.</i></p>	<p><i>Metropolitan I, Appendix A at 8.</i></p>	<p><i>The Commission will require the ISO to file their complete Protocols within 60 days of the ISO Operations Date. At that time we will afford the parties an opportunity to file comments. 81 FERC at 62,471.</i></p>
348.	<p><b><i>Tariff Amendment No. 7:</i></b> <i>Amendment 7 should not be permitted to give reliability must run generation a transmission priority inconsistent with existing contracts or economic dispatch.</i></p> <p><i>Docket Nos. EC96-19-023, Protest of DWR to Amendment 7, p. 2 filed May 1, 1998; EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 40 filed 08/05/1998</i></p>		<p><i>83 F.E.R.C. ¶1 61,209 (May 28, 1998) The remaining portion of the ISO's proposed Amendment No. 7 (with the exception of the clarification for billing the Reliability Must-Run Charge to Scheduling Coordinators which is accepted for filing, without suspension or hearing, to become effective on the ISO operations date) is hereby accepted for filing, and suspended for a nominal period, to become effective on the ISO operations date, subject to refund and subject to further orders.</i></p>

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349.	<p><i>Amendment 7 should not be permitted to assign differing, unexplained implicit adjustment bid values to existing contract rights.</i></p> <p><i>Docket Nos. EC96-19-023, Protest of DWR to Amendment 7, p. 4 filed May 1, 1998; EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 40 filed 08/05/1998</i></p>		<p>83 F.E.R.C. ¶ 61,209 (May 28, 1998) <i>The remaining portion of the ISO's proposed Amendment No. 7 (with the exception of the clarification for billing the Reliability Must-Run Charge to Scheduling Coordinators which is accepted for filing, without suspension or hearing, to become effective on the ISO operations date) is hereby accepted for filing, and suspended for a nominal period, to become effective on the ISO operations date, subject to refund and subject to further orders.</i></p>
350.	<p><b>Tariff Amendment No. 7</b> <i>Amendment 7's restrictions on adjustment bids from dispatchable load should be permitted only for the minimum period necessary to make software corrections.</i></p> <p><b>DWR</b></p>	<p>Docket Nos. EC96-19-023, Protest of DWR to Amendment 7, p. 6, filed May 1, 1998</p>	<p>83 F.E.R.C. ¶ 61,209 (May 28, 1998) <i>The remaining portion of the ISO's proposed Amendment No. 7 (with the exception of the clarification for billing the Reliability Must-Run Charge to Scheduling Coordinators which is accepted for filing, without suspension or hearing, to become effective on the ISO operations date) is hereby accepted for filing, and suspended for a nominal period, to become effective on the ISO operations date, subject to refund and subject to further orders.</i></p>
351.	<p><i>The ISO Tariff should expressly recognize different priorities for firm service under Existing Contracts on Path 15, for purposes of allocating constrained capacity and for purposes of allocating Usage and Wheeling Revenues for PTOs who have converted their Existing Contracts.</i></p> <p><i>Comments of the California Department of Water Resources, Docket Nos. EC96-19 et al, p 53, filed June 6, 1997; Comments of the California Department of Water Resources, Docket Nos. EC96-19, et al., filed September 2, 1997; Protest of the California Department of Water Resources, Docket Nos. EC96-19, et al., filed March 12, 1998; Protest of the California Department of Water Resources to Amendment 7, Docket Nos. EC96-19 et al., filed May 1, 1998; Comments of the California Department of Water Resources to Amendment 9, Docket No. ER98-3594, filed July 20, 1998; EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 44 filed 08/05/1998</i></p>		<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) ("(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.")</i><i>Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) ("[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.")</i></p>
352.	<p><i>The ISO Tariff should permit continuation of technically sound provision of voltage support from Loads.</i></p> <p><b>DWR</b></p>	<p><i>EC96-19, et al. Comments of DWP filed 6/6/97 at 60.</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) ("(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.")</i><i>Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) ("[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.")</i></p>

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<p>353. <i>ISO tariff provisions regarding short term voltage support require clarification to ensure that the ISO does not rely on those providing services beyond minimum criteria.</i></p> <p>DWR</p>	<p><i>EC96-19 et al, Comments of DWR 6/6/97 at 62.</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.” .) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.” )</i></p>
<p>354. <i>Generators unable to meet minimum ISO standards for var support should not be permitted to lean on the ISO or other market participants</i></p> <p><i>EC96-19, et al., Comments of DWR, p. 8, filed 07/08/1997; EC96-19, et al., Comments of DWR, p. 31, filed 09/02/1997.</i></p>		<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.” ) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.” )</i></p>
<p>355. <i>ISO penalty mechanisms should be clear, fair and effective.</i></p> <p><i>EC96-19. et al, Comments of DWR filed 6/6/97 at 64.</i></p>		<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.” ) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.” )</i></p>

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356.	<p><i>Less costly alternatives to transmission expansion identified in ISO Tariff Section 3.2.1.2 should be priced at the greater of a cost-based rate or the revenues foregone (i.e., the opportunity cost) in providing them.</i></p> <p><i>EC96-19, et al., Comments of DWR, p. 11, filed 07/08/1997; EC96-19, et al., Comments of DWR, p. 25, filed 09/02/1997.</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.”) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.”)</i></p>
357.	<p><i>The Self-Sufficiency Test must be modified to make it consistent with the Access Charge Methodology.</i></p> <p><i>EC96-19, et al., Comments of DWR, pp. 22-24, filed 09/02/1997</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.”) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.”)</i></p>
358.	<p><i>Clarification is needed on the procurement of voltage support and on how this service will be provided from both annual contracts and on a short term basis.</i></p> <p><i>EC96-19, et al., Comments of DWR, p. 32, filed 09/02/1997.</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.”) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.”)</i></p>

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359.	<p><i>Clarification is required that operation as a metered subsystem is only required for the literal (physical) self provision of AGC.</i></p> <p><i>EC96-19, et al., Comments of DWR, p. 33, filed 9/2/97.</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.”) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.”)</i></p>
360.	<p><i>Existing contract rights holders should be assured unbundled, open access restructuring will provide transmission service that is “seamless” and not more difficult or costly to obtain and use.</i></p> <p><i>EC96-19, et al., Comments of DWR, p. 34, filed 09/02/1997; EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 9, filed 08/05/1998</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.”) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.”)</i></p>
361.	<p><i>ISO must consult will all market participants subject to load curtailments under the Electrical Emergency Plan.</i></p> <p><i>EC96-19, et al., Comments of DWR, p. 40 filed 9/2/97</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.”) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.”)</i></p>

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362.	<p><i>Unaccounted For Energy (UFE) losses should not be assigned to scheduling coordinators with ISO Grid level loads. Additionally, UFE components should be unbundled.</i></p> <p><i>EC96-19, et al., Comments of DWR, p. 41, filed 09/02/1997; EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 13-16 filed 08/05/1998</i></p>	<p><i>)Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,572 (Oct. 30, 1997) (“(E) The ISO and PX are hereby conditionally granted interim authorization to commence full operations on the ISO Operations Date, as discussed in the body of this order.”) Pacific Gas &amp; Electric Co., 81 FERC ¶ 61,320, at 62,470 (Dec. 17, 1997) (“[I]n this order, we are also requiring the ISO and PX each to file conforming revisions to various ISO and PX Pro Forma Agreements and Tariffs and a compliance filing of the ISO and PX Protocols and Tariffs under section 205. Because of this filing requirement, Parties will have the opportunity to again raise issues related to the filings and new issues that arise in view of operational experience. Other issues not addressed by this order will be addressed in a subsequent order.”)</i></p>
363.	<p><i>Intra-zonal congestion management must be fully explained, as required in the Commission’s orders.</i></p> <p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, pp. 5-6, filed 08/05/1998</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,484 (Oct. 30, 1997).</i></p> <p><i>The ISO Tariff does not specify how or when, during the Day-Ahead and Hour-Ahead scheduling process, the costs of Inter-Zonal Congestion between Inactive and Active Zones will be calculated. The Commission directs the ISO to amend the ISO Tariff to specify (1) the timing for resolving Inter-Zonal Congestion between Active and Inactive Zones, that is, whether the process will take place after the Inter-Zonal Congestion Management process for Active Zones and before the Intra-Zonal Congestion Management process, or, whether it will take place simultaneously with another Congestion Management process and (2) the precise manner in which these costs are calculated.</i></p>
364.	<p><i>ISO Tariff provisions must be modified to state clearly that existing rights holders will not be required to pay grid operations charges for intra-zonal congestion.</i></p> <p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, pp. 5-7, filed 08/05/1998</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,474 (Oct. 30, 1997). Existing Contract holders will not be double charged for transmission under both their Existing Contract rates and ISO Tariff charges</i></p>
365.	<p><i>Inter-Zonal Congestion Management Must Be Clearly And Publicly Explained.</i></p> <p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 8, filed 08/05/1998</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶ 61,122, at 61,484 (Oct. 30, 1997).</i></p> <p><i>The ISO Tariff does not specify how or when, during the Day-Ahead and Hour-Ahead scheduling process, the costs of Inter-Zonal Congestion between Inactive and Active Zones will be calculated. The Commission directs the ISO to amend the ISO Tariff to specify (1) the timing for resolving Inter-Zonal Congestion between Active and Inactive Zones, that is, whether the process will take place after the Inter-Zonal Congestion Management process for Active Zones and before the Intra-Zonal Congestion Management process, or, whether it will take place simultaneously with another Congestion Management process and (2) the precise manner in which these costs are calculated.</i></p>

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366.	<p><i>Overgeneration Issues Should Not Impinge Upon Existing Contracts; each Market Participant should 'bury its own dead.'</i></p> <p><i>EC96-19, et al., Comments of DWR, pp. 79-82; EC96-19, et al., Comments of DWR, p.35-39, filed 09/02/1997; EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 42 filed 08/05/1998</i></p>	<p><i>Pacific Gas &amp; Electric Co., 81 F.E.R.C. ¶1 61,122 (Oct. 30, 1997)The Commission agrees with the position of DWR, SMUD, Turlock and others, that each Scheduling Coordinator should be responsible for its own Overgeneration problem by bearing the economic consequences of its own Overgeneration. In the words of Turlock, the Commission supports a bury your own dead approach to the Overgeneration problem. The ISO Tariff proposes to require that each Scheduling Coordinator s schedule be balanced, except in certain defined circumstances. One of those proposed exceptions is for a Scheduling Coordinator to submit unbalanced schedules to the ISO when its Regulatory Must-Run and Regulatory Must-Take generation is equal to or greater than its demand. We do not believe that Overgeneration should be a permissible exception to the balanced schedule requirement.</i></p>
367.	<p><b>Tariff Amendment No. 3:</b> <i>FERC should reject a priority for PG&amp;E on Path 15 (specifically including PG&amp;E's Operating Instructions) as among other things: (1) an impermissible collateral attack on FERC's ruling that the ISO's proposed Overgeneration Protocols are unduly discriminatory; (2) violative of the basic principle of comparability, which prohibits favoritism toward transmission providers' own generation and requirements of independence for Independent System Operators; (3) inconsistent with the ISO's responsibility to honor Existing Contracts; and (4) completely unfounded in fact regarding restructuring "bargains."</i></p> <p><i>EC96-19-016, et al., Protest of DWR filed 3/12/98</i></p>	<p><i>82 F.E.R.C. ¶1 61,312 (Mar. 25, 1998) Accordingly, we will reject Amendment No. 3. Our rejection of the proposed modifications to the ISO's originally designed software is without prejudice to future negotiated modifications that fully comply with our prior orders. Specifically, our November 26 Order required that where existing contractual arrangements conflict with ISO operating practices and protocols these differences must be reconciled in a nondiscriminatory and comparable fashion. In addition, the order required a detailed explanation how all contractual arrangements will be handled. As stated above, the proposed transmission priority contained in Amendment No. 3 does not satisfy these requirements. We urge all affected parties to redouble their efforts to negotiate a resolution to this issue. As noted in our November 26 Order, to the extent parties wish to renegotiate existing contracts, the ISO should, at a minimum, be available for consultation on all technical or operational issues.</i></p>
368.	<p><b>Transmission Control Agreement:</b> <i>PG&amp;E's Encumbrances (specifically granting PG&amp;E a super transmission priority) should be rejected as among other things (1) an impermissible collateral attack on FERC's ruling that the ISO's proposed Overgeneration Protocols are unduly discriminatory; (2) violative of the basic principle of comparability, which prohibits favoritism toward transmission providers' own generation and requirements of independence for Independent System Operators; (3) inconsistent with the ISO's responsibility to honor Existing Contracts; and (4) completely unfounded in fact.</i></p> <p><i>Docket No. ER98-1971, Protest of DWR, filed 3/12/98; Docket No. ER98-1971-001, Protest of DWR, filed 8/5/98</i></p>	<p><i>82 F.E.R.C. ¶1 61,325 (Mar. 30, 1998) Numerous intervenors argue that the Supplement to Appendix A and the ISO's proposed changes to Appendix B will afford PG&amp;E priority over other existing arrangements to use the available transmission capacity on Path 15, south of Tesla. In its March 25, 1998 Order addressing Amendments 1, 2, and 3 to the ISO Tariff, the Commission rejected the ISO's proposed tariff changes to afford PG&amp;E this priority, without prejudice to a future filing addressing certain issues. Consistent with the Commission's March 25, 1998 ruling, we will reject the proposed priority over Path 15 reflected in the Transmission Control Agreement.</i></p>

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369.	<p><b>Tariff Amendment No. 4:</b> Amendment 4 addresses a variety of separate issues, ranging from clarifications in the Imbalance Energy calculation, which appear permanent, to modification reflecting a “temporary manual workaround for assessing Wheeling Access Charges in certain cases until a recently discovered software variance can be corrected,” which appears temporary. Amendment 4 does not, however, clearly identify which changes are permanent, or the expected duration of temporary changes.</p> <p><i>EC96-19-017, et al.; Protest of DWR, filed 3/16/98</i></p>	<p>We agree that the ISO Participants and the Commission need to know with greater certainty which of the proposed amendments are intended to be permanent and which are intended to be temporary, and if temporary, the expected duration of such amendments. In the October 30 Order, we required the PX and the ISO to inform the Commission of tariff provisions that will be staged and the timing of future implementation. Our rulings are equally applicable for implementing changes proposed by the ISO in the instant filings which we are accepting for filing. Accordingly, we will direct the ISO to provide such information under the procedures discussed above (i.e., promptly post on the ISO Home Page, etc.). 82 FERC at 62,294.</p>
370.	<p><b>Tariff Amendment No. 5:</b> These changes, which increase tolerances, may be necessary upon initial start-up. Nonetheless, they may permit some Market Participants to “lean” on others, such as creating higher Imbalance Energy costs, and necessarily provide less precision and efficiency than contemplated for the ISO. Thus their expected duration should be clearly delimited.</p> <p><i>EC96-19-018, et al., Protest of DWR filed 3/16/98</i></p>	<p>We agree that the ISO Participants and the Commission need to know with greater certainty which of the proposed amendments are intended to be permanent and which are intended to be temporary, and if temporary, the expected duration of such amendments. In the October 30 Order, we required the PX and the ISO to inform the Commission of tariff provisions that will be staged and the timing of future implementation. Our rulings are equally applicable for implementing changes proposed by the ISO in the instant filings which we are accepting for filing. Accordingly, we will direct the ISO to provide such information under the procedures discussed above (i.e., promptly post on the ISO Home Page, etc.). 82 FERC at 62,294.</p>
<b>NEW ISSUES</b>		

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371.	<p><i>Tariff Amendment No. 7: The Commission should require the ISO to revise the “temporary rule” to impose a price cap for imbalance energy bids evaluated by the ISO’s BEEP software, consistent with the Commission’s order and various parties’ requests for clarification. The temporary software rule cannot be used to establish a sales price cap on any generators called upon to provide imbalance energy services to the ISO. To the extent the ISO, contrary to its prior representations to the Commission seeks to maintain the “temporary” software rule, the Commission should require the ISO to eliminate the temporary rule when the requires software modifications are completed.</i></p> <p>HIPG</p>	HIPG 8/17/98 filing in Docket No. ER98-3760	
372.	<p><i>Operating Reserves and Interruptible Imports. The ISO has proposed new language that requires a Scheduling Coordinator to self provide the Operating Reserves to cover Interruptible Imports. The ISO has not justified this modification. Scheduling Coordinators should still be able to purchase these reserves from the ISO.</i></p> <p>LADWP</p>	LADWP Comments in EC96-19-029 and ER96-1663-030	
373.	<p><i>Day-Ahead Schedule. Proposed Section 2.5.20.5.1 would penalize a Scheduling Coordinator for <u>all</u> Settlement Periods in a Trading Day for failure to submit a valid schedule pertaining to the self-providing of <u>any</u> ancillary service schedule in <u>any</u> hour of that day. It is unreasonable to refuse appropriately scheduled ancillary service due to the fact that an invalid schedule was submitted for a single hour.</i></p> <p>LADWP</p>	LADWP Comments in EC96-19-029 and ER96-1663-030	
374.	<p><i>Timing of Supplemental Energy Bids. Proposed Section 2.5.22.4.1 would eliminate the capability of market participants to withdraw supplemental energy bids that have not been accepted. The ISO’s proposal would bind a generator to an ISO obligation without any compensation and limit the ability of suppliers to re-market energy that has not been accepted by the ISO, ultimately putting upward price pressure on supplemental energy bids. The Commission should reject the proposed changes to Section 2.5.22.4.1.</i></p> <p>LADWP</p>	LADWP Comments in EC96-19-029 and ER96-1663-030	
375.	<p><i>WSCC and RTG Coordination. Proposed Section 3.2.6 would eliminate the obligation of the transmission Project Sponsor to pay the Participating Transmission Owner’s expenses incurred for WSCC and RTG coordination. This is inconsistent with the Commission’s finding that cost responsibility for a study should track cost responsibility for the project. The ISO should restore the original language, which properly required the Project Sponsor to pay the costs of any study pertaining to WSCC and RTG coordination.</i></p> <p>LADWP</p>	LADWP Comments in EC96-19-029 and ER96-1663-030	
376.	<p><i>Meter Data. The forty-one day settlement cycle proposed by the ISO presents a significant problem for, and hardship on, Los Angeles’ residential customers, since residential customers’ meters are currently read on a 60-day cycle. Initial estimates indicate these additional costs could reach <u>\$8.3 million per year</u>. Los Angeles requests that the ISO revise its Tariff to accommodate Los Angeles’ 60-day residential meter reading cycle.</i></p> <p>LADWP</p>	LADWP Comments in EC96-19-029 and ER96-1663-030	

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377.	<p><u>Metered Subsystem (MSS).</u> The creation of an MSS has been strongly supported by Los Angeles and many other parties throughout the WEPEX proceedings. The Commission has also stressed the importance of creating a workable MSS. Los Angeles urges the ISO to move forward with the development of an expansive MSS program that functions seamlessly within the ISO's legitimate operational requirements. No matter what the final construct of the MSS program may be, certain definitional revisions are necessary. The definition of an Existing Operating Agreement should be revised to eliminate the requirement that the agreement be entered into "prior to the ISO Operations Date." Also, the definition of an MSS should be modified to eliminate the requirement that a control area operator operate its system in accordance with an Existing Contract.</p> <p>LADWP</p>	LADWP Comments in EC96-19-029 and ER96-1663-030	
378.	<p><u>Settlement and Billing Protocol.</u> Section 2.2.6 of the Settlement and Billing Protocol requires a Scheduling Coordinator and Participating Transmission Owner to have a settlement account where payments <u>to and from</u> the ISO Clearing Account are made. It should be acceptable if two settlement accounts are used - - one settlement account capable of <u>receiving</u> payments from the ISO Clearing Account, and a different account to <u>remit</u> payments to the ISO Clearing Account. The ISO Staff has indicated in informal discussions that it can accept this approach. Los Angeles requests that Section 2.2.6 be modified to accommodate these concerns.</p> <p>LADWP</p>	LADWP Comments in EC96-19-029 and ER96-1663-030	
379.	<p><u>TCA - Section 4.7.1(i) - Release from ISO's Operational Control.</u> Section 4.7.1 provides that the ISO may relinquish its Operational Control over transmission lines and associated facilities constituting part of the ISO Controlled Grid under certain circumstances. Section 4.7.1(i) provides that if the ISO determines that it no longer requires to exercise Operational Control over a transmission line in order to meet its Control Area responsibilities <u>and</u> the line is a directly assignable radial line interconnecting generation facilities, it can relinquish its Operational Control over such line. In essence, the ISO can remove from the ISO Controlled Grid lines that were previously accepted and used by the ISO. In the case of directly assignable radial line interconnecting generating facilities (i.e., "gen tie" lines), no such provision is necessary. Under Section 4.1.1(i), gen tie lines simply never become part of the transmission network transferred to the ISO for its Operational Control. That being the case, there is no reason for Section 4.7.1(i) because the ISO cannot return facilities over which it never took control in the first place. Section 4.7.1(i) should be deleted because it is unnecessary and confusing. Failing the deletion of Section 4.7.1(i), Los Angeles would urge the Commission to require that Section 4.7.1(i) be modified to ensure that facilities that were accepted by the ISO during the application process under Section 4.1.1, and not refused in accordance with Section 4.1.3, cannot then be "released" under Section 4.7.1(i) once the applicant becomes a Participating TO.</p> <p>LADWP</p>	LADWP Comments in ER98-1971-001	
380.	<p><u>TCA - Section 21.2. - Lease or Rental of Equipment by the ISO.</u> This section should be modified to make clear that the Participating TO is not required to rent or lease its equipment to the ISO. If the ISO requests the Participating TO to rent or lease its equipment, and the Participating TO agrees, then the parties must mutually agree upon the terms and conditions.</p> <p>LADWP</p>	LADWP Comments in Docket No. ER98-1971-001	

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381.	<p><i>TCA: Section 26.11(2) - Amendment. Section 26.11 provides, in relevant part: "This Agreement may be modified . . . through the ISO ADR Procedure set forth in Section 13 of the ISO Tariff ...." This section would allow the Agreement to be <u>modified</u> (as opposed to be <u>interpreted</u>) via ADR procedures. Without some criteria clearly defining in what manner an arbitration decision could actually change or modify the Agreement, this provision is overly broad and a recipe for unintended consequences. The Agreement should be modified only where the Parties mutually agree, subject to Commission approval, or by order of the Commission to ensure conformity with the Federal Power Act. The language allowing for modification of the agreement via ADR procedures should be deleted.</i></p> <p>LADWP</p>	<p>LADWP Comments in Docket No. ER98-1971-001</p>	
382.	<p><i>Existing Contract Rights On Path 15 Must Be Protected. Los Angeles supports the fundamental principal that all Existing Contracts must be honored by the ISO, and the ISO's operations must be consistent with the terms of Existing Contracts, particularly with respect to Path 15. The ISO should be required to file a report confirming and detailing the resolution of the Path 15 issues, and all parties should be afforded an opportunity to file comments on the report that address, among other matters, whether the proposed resolution of Path 15 issues preserves the rights of parties under Existing Contracts.</i></p> <p>LADWP</p>	<p>LADWP 9/3/98 Answer in ER98-1971-001</p>	
383.	<p><i>In discussions with the IS[O] on October 13, 1998, regarding the sale of Ancillary Services by Turlock Irrigation District using a second Scheduling Coordinator (PG&amp;E serves as Turlock's Scheduling Coordinator for scheduling Turlock's load and resources), Turlock was told that doing business through two Scheduling Coordinators entailed too much special handling and was not worth the return that would come from the additional Ancillary Services scheduled by Turlock (and other municipal systems using that approach). Since PG&amp;E's RPTO Agreement with the ISO does not currently permit PG&amp;E to bid Ancillary Services on behalf of Turlock, Turlock is frozen out of the Ancillary Services market.</i></p> <p>Turlock</p>	<p>See Turlock's comments on Docket Nos. EC96-19-035, et al.</p>	<p><i>We agree with BPA, ECI and others [including Turlock] that the ISO should permit Eligible Customers to be represented by more than one Scheduling Coordinator ... We emphasize that we consider the development of the necessary software and trade rules to be a critical priority of the ISO that should be accomplished in as quick a time frame as possible. 81 FERC ¶ 61,122 at 61,509.</i></p> <p><i>Although the Responsible Participating Transmission Owner Agreement does not allow an Existing Rightholder to bid Ancillary Services through its RPTO, the ISO states that there is no provision preventing an Existing Rightholder from utilizing another Scheduling Coordinator (SC) to bid such resources into these ISO markets." 10/14/98 draft slip of at 3.</i></p>
384.	<p><b>Edison: TOs should not be assessed Usage Charges that result from a reduction in capacity between the day-ahead and hour-ahead markets.</b> The following sections should be amended: ISO Tariff § 7.3.1.7; Settlements and Billing Protocol, Appendix E, § 2.3.3. This a very important issue for Edison because the magnitude of the usage charges offsets most of the congestion revenues that Edison earn. Thus, the provision also increases transmission rates for customers.</p>	<p>Edison' August 5, 1998 Protest to the ISO's Compliance Filing at 3-6. (ER96-1663-030; EC96-19-029)</p>	

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385.	<b>Edison: Changes are needed to the ISO Tariff to permit multiple Scheduling Coordinators to schedule at one meter.</b> FERC's October 30 Order required the ISO to provide for this. While the ISO removed the prohibition on Eligible Customers being represented by more than one SC, Section 2.3 of the SCAP still states: "only one SC may register with the ISO for the meter or Meter Point in Question." The ISO systems still cannot handle multiple SC's per meter, thus this issue is unresolved. The ISO Staff has stated that Eligible Customers can be represented by more than one SC simply by installing separate meters, but this proposal does not resolve the primary issue for those resources having ISO meters which are directly polled by the ISO MDAS.	Edison's August 5, 1998 Protest to the ISO's Compliance Filing at 6-8. (ER96-1663-030; EC96-19-029)	
386.	<b>Edison: The ISO failed to comply with FERC's order to permit all authorized users access to ISO MDAS settlement-ready meter data.</b> FERC's October 30 Order required ISO to provide this functionality. In its 9/3/98 Answer, the ISO implies it is working on this issue and protests filed by intervenors are "premature". If the ISO is working on software modifications to resolve this issue then it should be included in the ISO's Staging Plan with a "Target Release Date." If the ISO is not working on a fix at this time, it should be required to do so.	Edison's August 5, 1998 Protest to the ISO's Compliance Filing at 8-9. (ER96-1663-030; EC96-19-029)	
387.	<b>Edison: Adequate billing and settlement information must be made available on a timely basis.</b>	Edison's August 5, 1998 Protest to the ISO's Compliance Filing at 9-11. (ER96-1663-030; EC96-19-029)	
388.	<b>Edison: Interruptible exports should be able to provide ancillary services.</b> Section 5.4.1 of the ISO's ASRP Protocol identifies interruptible exports as a provider of Non-Spinning Reserves. The ISO should modify its software to implement this provision because the software currently does not permit interruptible exports to provide Ancillary Services. The ISO has failed to make a commitment to correct its software deficiency.	September 8, 1998 Comments of Turlock Irrigation District (ER96-1663-036; EC96-19-035)	
389.	<b>Edison: The ISO has refused to certify as A/S providers generating units without ISO EMS telemetry despite the fact that the ISO Tariff does not require EMS telemetry equipment for Spin, Non-Spin, and Replacement Reserves.</b> ISO Staff is requiring ISO EMS telemetry for all resources providing Ancillary Services. The ISO Tariff only requires EMS telemetry for those resources providing Regulation service. The ISO's policy is not only contrary to the ISO Tariff, it will prevent load resources and QFs (once they terminate their contract with their IOU) from providing Ancillary Services. If the ISO intends to require EMS telemetry for all Ancillary Service providers, it must revise its tariff and protocols and receive FERC approval prior to doing so and should stop enforcing the current policy.	Operational experience	
390.	<b>Edison: The ISO Staff has issued a recent policy where Market Participants will be required to use ISO EMS data instead of the data in their PGA Schedule 1, without resolving numerous issues associated with this decision.</b>	Operational experience	

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391.	<p><b>Edison: ISO policies result in inappropriate delays in Ancillary Service certifications.</b></p> <p><i>ISO Staff is taking the position that changes to Schedule 1 to the PGA will be effective only after: 1) verified by the ISO, 2) approved by the FERC, and 3) ISO databases (Master Files) are updated. This process can take several months, which financially impacts Market Participants. Edison's position is that changes to PGA Schedule 1 should be made effective upon ISO certification, and revoked if the FERC later determines that the ISO certification was inadequate. There is nothing in the PGA which prevents the ISO from using this approach.</i></p> <p><i>Edison is concerned with the time it takes the ISO to update its Master File and the impact of this delay on the Ancillary Service certification process. The substantial time lag associated with updating the ISO's network model and databases with revised data is unacceptable. If the ISO takes the position that EMS data will be used to populate the ISO Master File, then the ISO should be required to permit on-demand testing, if requested from Market Participants, and make immediate changes to databases.</i></p>	Operational experience	
392.	<p><b>Edison: Pricing methodology for system isolation conditions</b> – The ISO has not addressed Edison's concern when system isolation occurs requiring Edison generators to carry local load. Currently the ISO treats this deviation as uninstructed deviation paid at the hourly ex-post price which may be unjust and unfair. Generators should be held neutral for imbalances caused by system isolation conditions.</p>	Operational experience	
393.	<p><b>Edison: Capability to handle Physical Scheduling Plants.</b> This item appears on the Phase 2 Work Priority listing, but should be moved to become a higher priority item. It remains an issue that Edison wants to pursue.</p>	Operational experience	
394.	<p>The ISO's continued use of a "weighting factor" in the formula for real-time intra-zonal congestion management, as set forth in Tariff section 7.2.1.5, without explanation or justification</p> <p>TURN/UCAN</p>	TURN/UCAN 8/5/98 protest in EC96-19-029 and ER96-1663-030 at 10-12	
395.	<p>Adjustment Bids left standing after the close of the Hour-Ahead market should be converted into supplemental energy bids</p> <p>TURN/UCAN</p>	TURN/UCAN 8/5/98 protest at 14-15	
396.	<p>ISO provision of a bulletin board for voluntary publication of Adjustment Bids pursuant to Tariff Section 7.2.4.1.5, for use by Schedule Coordinators during the Day-Ahead congestion management process</p> <p>TURN/UCAN</p>	TURN/UCAN 8/5/98 protest at 15-16	
397.	<p>ISO to compute and provide additional information regarding the dispatch and usage charges that would have resulted in the absence of the "market separation constraint"</p> <p>TURN/UCAN</p>	TURN/UCAN 8/5/98 protest at 16-18	
398.	<p>ISO to allow submission of adjustment bids with respect to inter-scheduling coordinator trades for purposes of congestion management</p> <p>TURN/UCAN</p>	TURN/UCAN 8/5/98 protest at 19-20	

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399.	<i>ISO to modify its bylaws to provide for the existence, role and independence of a separate market monitoring unit within the organization</i>  TURN/UCAN	TURN/UCAN 8/5/98 protest at 10-12	
400.	<i>Ancillary services should be allowed to compete with energy for the use of congested interzonal interfaces in the congestion management process</i>  TURN/UCAN	TURN/UCAN 8/15/98 protest in ER98-3760 at 10-11	
401.	<i>Ancillary services bids should be evaluated on a simultaneous rather than a sequential basis</i>  TURN/UCAN	TURN/UCAN 8/15/98 protest in ER98-3760 at 13-14	
402.	<i>The provisions on Unaccounted For Energy ("UFE") are ambiguous (e.g., including an unidentified critical term that appears repeatedly in the formula). There is no conceptual or factual basis for the ISO to charge Vernon for UFE costs associated with UFE attributable to Edison's service area. of which Vernon is not a component</i>  Vernon	Vernon ER98-3760 protest at 3-6	
403.	<i>There has been no meaningful ISO explanation of charges for Neutrality Adjustment or any justification for the dramatic trend of monthly increases – and no showing that charges track to any extent the factor of cost causation</i>  Vernon	Vernon ER98-3760 protest at 6	
404.	<i>Section 2.2.3.1; 2.2.6.11, 2.2.4.7.1, and 2.2.5 - SC's who have defaulted should provide service and continue to serve for 30 days after notice. PG&amp;E proposes a new section 2.2.6.11 to provide that an SC will continue to schedule power for thirty days following notice to the ISO and the UDC that the will stop scheduling for an eligible customer.</i>  PG&E		
405.	<i>Section 2.2.3.1 - Add section to refer to NERC tagging</i>  PG&E	PG&E 8/5 at 10	
406.	<i>Section 2.2.7.6 - Status permissible market deviations - see MSS</i>  PG&E		
407.	<i>Section 2.2.7.2 - Provide opportunity to correct errors in a reasonable time</i>  PG&E	PG&E 8/5/ at 11;	
408.	<i>Section 2.2.14; 7.2.6; DP 4.1.2; 2.3.1.2.1; 2.5.6.2 - How does the ISO communicate with generators? How complete are 2.5.22.10 dispatch instructions?"</i>  PG&E	PG&E 8/5; BPA issue #19	

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409.	<i>Section 2.3.1.1.4 - How does the ISO coordinate outages; 2.3.3.1 - When can the ISO rescind outage approval; 2.3.3.5 - See BPA issues 14, 15, 16 regarding outage coordination.</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 7</i>	
410.	<i>Section 2.3.2.3.2 - Says ISO will load shed prior to market intervention</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 12</i>	
411.	<i>Section 2.3.2.9 - should include a review of ISO actions in outage</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 12</i>	
412.	<i>Section 2.5.2.2 - Time for A/S changes: should provide 7 days notice on ISO home page</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 13</i>	
413.	<i>Section 2.5.3.1 - ISO should have criteria and objectives for A/S quantities</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 13</i>	
414.	<i>Section 2.5.4 - ISO Tariff should explain locational procurement of AS</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 14</i>	
415.	<i>Section 2.5.20 - What constitutes a metered subsystem? To what extent do MSS deviate from market</i>  <i>PG&amp;E</i>		
416.	<i>Section 2.5.22.2(d) - How does the ISO dispatch in merit order? To what extent can the ISO deviate or skip merit order? Are criteria necessary to limit deviations?</i>  <i>PG&amp;E</i>		
417.	<i>Section 2.5.23 - how does the ISO use 10 minute BEEP interval ?</i>  <i>PG&amp;E</i>		
418.	<i>How does the BEEP or price reflect out of market? Clarify that imbalance energy for interruptible imports is an out of sequence request.</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 17</i>	
419.	<i>Section 2.5 - ISO should explain procurement of A/S from RMR. Explain selection process. Explain the settlement process</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 18</i>	
420.	<i>Section 4.8.4.2 - Add UDC staff presence during ISO visits.</i>  <i>PG&amp;E</i>	<i>PG&amp;E 8/5 at 19</i>	

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421.	<p><i>Section 7.3.1.7 - Modify tariff to remove TO charges for reduced capacity. As PG&amp;E noted in its 8/5 comments on the ISO tariff Amendment 4 is not compatible with market design agreed by stakeholders. Edison also commented on this issue. While the ISO is working to remove TO debits for reduced capacity between day ahead and hour, this issue has created about \$2-3 million in charges to PG&amp;E and has not yet been resolved.</i></p> <p>PG&amp;E</p>	PG&E 8/5 at 20	
422.	<p><i>Section 10.6.2.3 - In the October 30 Order, 81 FERC at 61,516, the Commission directed PG&amp;E to re-raise the request to delete this section if it determined definitively that the ISO has no ability to use these data for settlement or other purposes</i></p> <p>PG&amp;E</p>		
423.	<p><i>Section 11.2.4.1 - There are errors in the formula for UFE allocation because UFE does not account for the share of each SC at each demand metering point.</i></p> <p>PG&amp;E</p>	PG&E 8/5 at 21	
424.	<p><i>Section 11.5 - ISO sometimes uses estimated data for settlements. Provide process to review such settlements.</i></p> <p>PG&amp;E</p>	PG&E 8/5 at 22	
425.	<p><i>Section 11.6.1 - There is not adequate time for SCs and PX participants to reconcile daily disputes and month end invoices. Review ISO calendar</i></p> <p>PG&amp;E</p>	PG&E PX comm 8/5	
426.	<p><i>ISO has stated effort to review backlogged disputes only if filed on time and not resolved to SC's satisfaction. ISO policy needs to be reviewed, possibly with list of issues regarding backlogged settlements and stakeholder agreement on appropriate methodology to resolve items related to past disputes.</i></p> <p>PG&amp;E</p>		
427.	<p><i>Section 11.4.3; 11.7.2 - The ISO does not provide sufficient supporting documentation on settlements to allow SC verification</i></p> <p>PG&amp;E</p>	PGE PX comm 8/3 at 3-5	
428.	<p><i>Significant changes occur between Preliminary and Final statements issued by the ISO. The ISO currently does not provide an explanation or a process for resolution of differences between the two statements.</i></p> <p>PG&amp;E</p>		

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429.	<p><i>There have consistently been discrepancies between ISO and PG&amp;E final schedules. The PX points out that the ISO returns hour-ahead schedules containing large quantities of hours during which no PX trade occurred. The PX concludes that this is the result of a "broken" inter-SC trade where the ISO is using the PX to balance their overall supply and demand schedules.</i></p> <p>PG&amp;E</p>		
430.	<p><i>The ISO does not provide a copy of real time dispatch orders. This produces difficulty in reconciling RTE and IE statements. The reasons include: 1) differences in time between dispatch when dispatch is ordered and when dispatch orders are received, resulting in different BEEP prices (ISO uses time dispatch instruction is ordered, PG&amp;E has only time dispatch order was received), and 2) the manual procedures (phone calls and faxes) used by the ISO to send dispatch instructions results in discrepancies between the ISO and PG&amp;E logs of dispatch instructions.</i></p> <p>PG&amp;E</p>		
431.	<p><i>Intra-Zonal Congestion Management procedures and protocols remain incomplete, unspecified or not filed. Any Operating Procedures currently in use by the ISO affecting rates and charges incurred by Market Participants must be filed with the Commission.</i></p> <p>TANC</p>	<p>TANC, Docket Nos. EC96-19-029, et al., at 10-12, filed August 5, 1998 ("TANC 8/5 Comments")</p>	
432.	<p><i>The ISO did not comply with the Commission's directive to make public the algorithm that it uses to manage Inter-Zonal Congestion.</i></p> <p>TANC</p>	<p>TANC 8/5 Comments at 12-13</p>	
433.	<p><i>The ISO did not comply with the Commission's directive to charge Scheduling Coordinators for Ancillary Services based upon real-time changes in Demand. The Commission should establish a time frame for the ISO to explain the technical problems it cited associated with complying with this directive and to develop and file the necessary tariff changes to achieve compliance.</i></p> <p>TANC</p>	<p>TANC 8/5 Comments at 14-15</p>	
434.	<p><i>The ISO has failed to fully comply with the Commission's directive to charge Scheduling Coordinators importing interruptible Energy with associated Ancillary Services, as the tariff is silent as to whether the SC has any obligation to obtain Regulation or Replacement Reserve.</i></p> <p>TANC</p>	<p>TANC 8/5 Comments at 16.</p>	
435.	<p><i>The Compliance Filing provides for price caps by not pro forma bid caps as required by the October 30 Order.</i></p> <p>TANC</p>	<p>TANC 8/5 Comments at 16-17</p>	
436.	<p><i>The ISO failed to comply with the requirement to file Generation unit availability standards.</i></p> <p>TANC</p>	<p>TANC 8/5 Comments at 17-18</p>	

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437.	<i>The ISO has failed to adopt and implement procedures for allocating transmission capacity on a pro-rata basis for each Scheduling Coordinator when the ISO reduces a Scheduling Coordinator's Generation due to insufficient transmission capacity.</i>  TANC	TANC 8/5 Comments at 19.	
438.	<i>The ISO has failed to modify the Self-Sufficiency test to clarify that Existing Rightsholders can satisfy the self-sufficiency test while Existing Contracts are still effective.</i>  TANC	TANC 8/5 Comments at 20.	
439.	<i>The ISO has failed to make provision for dispatching Ancillary Services by telephone or fax.</i>  TANC	TANC 8/5 Comments at 20-21.	
440.	<i>The use of defined terms in Section 2.5.3.4 of the ISO Tariff is improper, as the ISO does not have control of all Generating Units, but only those of Participating Generators.</i>  TANC	TANC 8/5 Comments at 26	
441.	<i>The change in Section 2.2.3.3 of the ISO Tariff may give the ISO too much control over deciding the creditworthiness of a Scheduling Coordinator due to a delay in making a payment due under the ISO Tariff.</i>  TANC	TANC 8/5 Comments at 29.	
442.	<i>Section 2.2.4.5(a)(i) of the ISO Tariff should include a time period for the notice of termination as do subsections (ii) and (iii).</i>  TANC	TANC 8/5 Comments at 29.	
443.	<i>Sections 2.3.1.2 and 2.3.1.2.2 of the ISO Tariff provide the ISO with much more authority than that set out in Section 2.3.1.1.3.</i>  TANC	TANC 8/5 Comments at 30.	
444.	<i>Section 2.3.2.7 of the ISO Tariff needs to be amended by adding "Participating" before term "Generator" to more accurately reflect the defined terms set out in the Master Definitions Supplement.</i>  TANC	TANC 8/5 Comments at 30.	
445.	<i>Section 2.3.3.1 of the ISO Tariff needs clarifying language to delineate the scope of the ISO's control and authority.</i>  TANC	TANC 8/5 Comments at 30.	
446.	<i>The amendment to Section 2.3.3.5.3 of the ISO Tariff appears to vitiate the usefulness of allowing an Operator to request an after-the-fact explanation of an ISO instruction and should be deleted.</i>  TANC	TANC 8/5 Comments at 30.	

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447.	<i>The new language added to the end of Section 3.2.3 of the ISO Tariff appears to conflict with the first sentence.</i> TANC	TANC 8/5 Comments at 31.	
448.	<i>In Sections 5.1.3, 5.2.1, 5.2.3, 5.3, 5.4 and 5.7.3 of the ISO Tariff, the ISO misuses terms defined in the Master Definitions Supplement.</i> TANC	TANC 8/5 Comments at 31	
449.	<i>Section 7.3 of the ASRP is intended to supplement Section 2.5.3.4 of the ISO Tariff, but its terms vary significantly from those of Section 2.5.3.4.</i> TANC	TANC 8/5 Comments at 49-50	
450.	<i>The Demand Forecasting Protocol definitions and requirements fail to include sufficient detail or instructions to ensure consistency form the Scheduling Coordinators and UDCs.</i> TANC	TANC 8/5 Comments at 50-51	
451.	<i>DP 2.1.3 does not properly provide for the addition of Local Reliability Criteria for new Participating TOs.</i> TANC	TANC 8/5 Comments at 51-52	
452.	<i>The language in DP 3.6.1 is overly broad in that it would apply even to transmission assets of the Participating TO that are not turned over to the Operational Control of the ISO.</i> TANC	TANC 8/5 Comments at 53	
453.	<i>Absent an emergency, the authority provided to the ISO in DP 9.1.1 would violate the terms of an Existing Contract.</i> TANC	TANC 8/5 Comments at 53-54	
454.	<i>The term "ISO Market(s), " used throughout the MMIP is not a defined term.</i> TANC	TANC 8/5 Comments at 54.	
455.	<i>MMIP 3.3.3.1 contains an incorrect reference to MMIP 3.3.3(b) which does not exist.</i> TANC	TANC 8/5 Comments at 54.	
456.	<i>MMIP 4.7 contains confusing and unnecessary subsection numbering. It should also provide for a comprehensive scope of review by the ISO Market Surveillance Committee.</i> TANC	TANC 8/5 Comments at 54.	
457.	<i>MMIP 6 fails to establish or confirm the specific authority of the Market Surveillance Committee to file information and reports directly with the Commission.</i> TANC	TANC 8/5 Comments at 55	

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458.	<i>OCF 4.3.7, 4.4.8 and 5.3.3 should recognize and accommodate the need for priority for Outages on a basis other than planned maintenance schedules.</i>  <i>TANC</i>	<i>TANC 8/5 Comments at 57.</i>	
459.	<b><u>Unaccounted for Energy (“UFE”):</u></b> <i>The ISO Tariff sections relating to UFE should be clarified to conform to the algorithms showing the UFE calculation. UFE should be calculated separately for all distribution systems, whether or not they have entered into a Utility Distribution Company Agreement with the ISO.</i>  <i>Southern Cities</i>		
460.	<b><u>ISO Tariff §2.5.22.8:</u></b> <i>This section should be modified to make clear that the ISO’s redispatch authority as referenced in this section applies to generating resources only. If the ISO intends to redispatch, i.e., curtail, loads that are not reflected in a decremental bid for the purpose of relieving Intra-Zonal Congestion, it should clearly specify the circumstances under which such curtailments will occur and set forth the procedures that will be followed.</i>  <i>Southern Cities</i>	<i>Comments of Anaheim, Azusa, Banning, Colton, and Riverside, California, Docket No. ER98-3760-000, August 17, 1998, at page 6</i>	
461.	<b><u>Schedules and Bids Protocol §4:</u></b> <i>It is not clear why Adjustment Bids should not be transformed into Supplemental Energy bids. Furthermore, the Commission has made clear that Overgeneration problems should be dealt with by those Scheduling Coordinators (“SCs”), and only those SCs, that are creating or contributing to the Overgeneration condition. It is not clear that the use of Adjustment Bids as proposed in the language added to the end of SBP §4 is consistent with that principle.</i>  <i>Southern Cities</i>	<i>Comments of Anaheim, Azusa, Banning, Colton, and Riverside, California, Docket No. ER98-3760-000, August 17, 1998, at page 7</i>	
462.	<b><u>ISO Tariff §2.2.7.2:</u></b> <i>Language added to the end of this section in the June 1, 1998 Compliance Filing provides that, “Scheduling Coordinators shall be able to validate their Schedules prior to the deadline for submission to the ISO.” To avoid misunderstanding, the language should be clarified to state, “Scheduling Coordinators shall have an opportunity to validate their Schedules prior to the deadline for submission to the ISO by requesting such validation prior to the applicable deadline.”</i>  <i>Southern Cities</i>	<i>Comments on Behalf of the Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California, Docket No. ER98-3760-000, August 17, 1998, at page 8</i>	
463.	<b><u>ISO Tariff §§7.2.4.2.1 and 7.2.4.2.3:</u></b> <i>“Operating point” should be a defined term.</i>  <i>Southern Cities</i>	<i>Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 8</i>	
464.	<b><u>ISO Tariff §8.3:</u></b> <i>In the fourth line, “Change” should be “Charge.”</i>  <i>Southern Cities</i>	<i>Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 8</i>	

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465.	<b>ISO Tariff §§10.3 and 10.6.7:</b> These sections have the same titles; to avoid confusion, they should be distinguished. The Southern Cities suggest that §10.3 be captioned "Meter Service Agreements for ISO Metered Entities."  Southern Cities	Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 8	
466.	<b>ISO Tariff §11.2.4.1:</b> The intent of the last sentence is unclear and should be clarified.  Southern Cities	Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 8	
467.	<b>ISO Tariff § 13.3.1.2:</b> This section should be modified to make clear that the list from which arbitrators will be selected will be the AAA list if the ISO is a party to the dispute.  Southern Cities	Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 8	
468.	<b>Master Definitions, definition of "Balanced Schedule":</b> The word "forecast" should be inserted before "Demand." Because the term applies to advance schedules, the reference to Demand should be clarified to indicate that it is forecast Demand. This change is required to be consistent with §2.2.7.2 of the ISO Tariff.  Southern Cities	Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 9	
469.	<b>Master Definitions, definition of "PX (Power Exchange)":</b> The ISO's June 1, 1998 Compliance Filing deleted language from the definition of the term "PX" that referred to the PX Hour Ahead market. In light of the PX's recent initiation of procedures for Hour Ahead transactions, the reference to the Hour Ahead market should be included in the PX definition.  Southern Cities	Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 9	
470.	<b>Master Definitions, definitions of "Severance Fee" and "Transition Charge":</b> In both of these definitions, the date for AB 1890 is incorrect. In addition, the use of the term "enacted" is ambiguous.  Southern Cities	Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 9	
471.	<b>ISO Tariff §2.3.3.5.3:</b> The Commission's October 30, 1997 Order required the ISO to modify §2.3.3.5.3 of the ISO Tariff to permit Operators of transmission facilities to request an after-the-fact explanation for an ISO instruction regarding a maintenance outage. <sup>1</sup> The ISO's proposed amendment, however, provides that the response to such a request for explanation would be given "for informational purposes only and without affecting in any way the finality or validity of the [ISO's] determination." Such a restriction is unnecessary and inappropriate. The Southern Cities and Azusa and Banning support the modification of the language for §2.3.3.5.3 suggested by the Turlock Irrigation District.  Southern Cities	Comments of Anaheim, Colton, and Riverside Azusa and Banning on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 2	

<sup>1</sup> Pacific Gas & Electric Company, et al., 81 FERC ¶61,122 (1997) at page 61,512.

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472.	<p><b>ISO Tariff §2.3.4.4:</b> This section provides that the ISO can mitigate real time Overgeneration by requiring all SCs to make pro rata cuts in their Generation or imports. Thus, contrary to the Commission's October 30<sup>th</sup> Order, 81 FERC at pages 61,525-526, SCs that have no part in creating an Overgeneration problem still may be burdened unfairly by the real time actions necessary to reduce Overgeneration. In order to comply fully with the Commission's order that those who cause Overgeneration problems be responsible for alleviating those conditions, the ISO should develop a mechanism for charging the SCs that cause Overgeneration in real time and compensating those with balanced loads and resources for any redispatch costs incurred to assist the ISO in alleviating Overgeneration.</p> <p>Southern Cities</p>	<p>Motion to Intervene, Protest, and Comments on Behalf of the Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California, Docket No. ER98-3760-000, August 17, 1998, at page 10</p>	
473.	<p><b>ISO Tariff §10.6.6.2:</b> The Commission's October 30, 1997 Order required the ISO to amend §10.6.6.2 of the ISO Tariff to clarify the provisions for grandfathering the certification of existing metering arrangements for SC Metered Entities. 81 FERC at pages 61,515-516. The language of this section is unduly limited, because it would appear to grandfather existing metering arrangements only for End Use SC Metered Entities. Meters of <u>all</u> SC Metered Entities in place as of the ISO Operations Date should be deemed to be certified under the grandfathering provision, and this section should be amended to make that clear.</p> <p>Southern Cities</p>	<p>Comments of Anaheim, Colton, and Riverside Azusa and Banning on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 4</p>	
474.	<p><b>ISO Tariff §2.2.11.3:</b> References to inter-SC trades involving Ancillary Services deleted by the ISO's June 1, 1998 filing should be reinstated.</p> <p>Southern Cities</p>	<p>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 6</p>	
475.	<p><b>ISO Tariff §2.5.3.4 and Ancillary Services Requirements Protocol §7.5.1:</b> Language that would allow the ISO to utilize all available sources of Voltage Support that was deleted by the ISO's June 1, 1998 filing should be reinstated.</p> <p>Southern Cities</p>	<p>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 6</p>	
476.	<p><b>ISO Tariff §2.4.4.5.1.6:</b> The final sentence must be deleted because it is inconsistent with the Commission's directive in its October 30<sup>th</sup> Order that the ISO must honor flexible scheduling rights.</p> <p>Southern Cities</p>	<p>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</p>	

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477.	<p><b><u>ISO Tariff §2.5.5:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	
478.	<p><b><u>ISO Tariff §2.5.20.1:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 8</i></p>	
479.	<p><b><u>ISO Tariff §5.2.7:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	
480.	<p><b><u>ISO Tariff §6.1.2.2.1:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	
481.	<p><b><u>ISO Tariff §6.1.2.2.2:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	
482.	<p><b><u>ISO Tariff §6.1.2.2.3:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	

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483.	<p><b><u>ISO Tariff §7.2.2.5:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	
484.	<p><b><u>ISO Tariff §7.2.5.2.4:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	
485.	<p><b><u>ISO Tariff §7.3.2:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	
486.	<p><b><u>ISO Tariff §11.4.3:</u></b> <i>Unexplained changes proposed in the ISO's June 1, 1998 Compliance Filing should be explained and justified.</i></p> <p>Southern Cities</p>	<p><i>Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9</i></p>	
487.	<p><b><u>Scheduling Protocol §3:</u></b> <i>This section gives the ISO authority "in extreme circumstances ... to abort the Hour-Ahead Schedule and operate in real time." Market participants are entitled to a more detailed explanation of the types of extreme circumstances that might lead the ISO to abort the Hour-Ahead Schedules, the procedures that the ISO would expect to follow in such circumstances, and the bases for setting prices for transactions occurring under such circumstances.</i></p> <p>Southern Cities</p>	<p><i>Comments of Anaheim, Azusa, Banning, Colton, and Riverside, California, Docket No. ER98-3760-000, August 17, 1998, at page 20</i></p>	
488.	<p><i>The ISO has impermissibly allowed transmission owners to retain control over access to portions of the grid notwithstanding that the purpose of the ISO is to assume operational control previously exercised by the transmission owners in order to prevent the transmission owners from exercising market power.</i></p> <p>Enron</p>	<p><i>Enron III Docket Nos. EC96-19-029, et al. at 17-19</i></p>	

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489.	<i>The ISO may be improperly treating "conditional firm" contracts as firm, and thereby harming new transmission users as well as providing unfair benefits to the incumbent utilities.</i>  <i>Enron</i>	<i>Enron II at 16-17.</i>	
490.	<i>By not strictly enforcing the requirement that scheduling coordinators balance their portfolios and provide accurate forecasts, the ISO's tariff incents gaming, and instability in the ISO's ancillary services markets, and imposes substantial costs on other scheduling coordinators.</i>  <i>Enron</i>	<i>Enron III at 21.</i>	
491.	<i>The ISO is not following its tariff in its acquisition and dispatch of ancillary services and imbalance energy and its use of "out of market" purchases and sales of energy, but instead uses extra-tariff criteria.</i>  <i>Enron</i>	<i>Enron III at 23-24.</i>	
492.	<i>The ISO's failure to permit discounting in its wheeling-out rates results in transmission service that is substantively worse than the quality of transmission service contemplated by Order No. 888.</i>  <i>Enron</i>	<i>Enron III at 19.</i>	<i>"the discretion as to whether to discount a transmission rate, and the extent of that discount, is ultimately up to the Transmission Owner whose facilities will be utilized." Pacific Gas and Electric Corporation, et al., 81 FERC ¶ 61,122 at 61,506 (1997)</i>
493.	<i>The ISO's use of ex post GMMs is harmful to the market.</i>  <i>Enron</i>	<i>Enron III at 22-23.</i>	
494.	<i>The ISO's payments for "out of market" generation are punitive and non-compensatory.</i>  <i>Enron</i>	<i>Enron III at 21-22.</i>	
495.	<i>The ISO has not complied with FERC's directive to make the ISO's congestion management software and database available.</i>  <i>Enron</i>	<i>Enron III at 28-29</i>	
496.	<i>The ISO has not complied with FERC's instructions to credit scheduling coordinators for operating reserves when they purchase firm energy from outside the control area.</i>  <i>Enron</i>	<i>Enron III at 29-30</i>	
497.	<i>Inter-scheduling coordinator trades for ancillary services are unnecessarily restricted.</i>  <i>Enron</i>	<i>New issue</i>	
498.	<i>Intra-Zonal Congestion Management procedures and protocols remain incomplete, unspecified or not filed. Any Operating Procedures currently in use by the ISO affecting rates and charges incurred by Market Participants must be filed with the Commission.</i>  <i>Metropolitan</i>	<i>Comments of Metropolitan to the Compliance Filing Docket Nos. EC96-19-029, et al., at 8-10, filed August 5, 1998 ("Metropolitan's 8/5 Comments")</i>	

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499.	<i>The ISO did not comply with the Commission's directive to "make publicly available the algorithm that it uses to manage Inter-Zonal Congestion."</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 10-11.</i>	
500.	<i>The ISO did not comply with the Commission's directive to charge Scheduling Coordinators for Ancillary Services based upon real-time changes in Demand. The Commission should establish a time frame for the ISO to explain the technical problems it cited associated with complying with this directive and to develop and file the necessary tariff changes to achieve compliance.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 12.</i>	
501.	<i>The ISO has failed to fully comply with the Commission's directive to charge Scheduling Coordinators importing interruptible Energy with associated Ancillary Services, and the ISO should resolve whether the SC has any obligation to obtain Regulation or Replacement Reserve for interruptible energy import.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 13.</i>	
502.	<i>The Compliance Filing provides for price caps by not pro forma bid caps as required by the October 30 Order.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 13-14.</i>	
503.	<i>The ISO failed to comply with the requirement to file Generation unit availability standards.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 14-16.</i>	
504.	<i>The ISO Tariff is devoid of discussion regarding the nature of a Scheduling Coordinator's obligation towards the Eligible Customer it serves. The Scheduling Coordinator acts as the agent for the Market Participants it represents, and thus owes a fiduciary responsibility towards them. A new Section 2.2.6.11 should be added to the ISO Tariff to address these responsibilities.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 16-17.</i>	
505.	<i>The ISO's Overgeneration management procedure conflicts with the Commission's directives to honor Existing Contracts by requiring all Scheduling Coordinators to adopt "pro rata" reductions in their schedules, notwithstanding Existing Contract rights.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 18-20.</i>	
506.	<i>Zonal Market Clearing Price should be used to establish the price of certain Ancillary Services eligible to be sold back to the ISO rather than an undefined "hourly user rate."</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 22-23.</i>	

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507.	<i>Existing Rightsholders should not be required to pay the costs of Intra-Zonal Congestion Management through the Grid Operations Charge. Such a requirement is inconsistent with Section 2.4.4.4.1 of the ISO Tariff which specifically exempts Existing Rightsholders from the obligation to pay Usage Charges arising out of the exercise of those rights. Section 2.4.4.4.1 should be amended to include an exemption from payment of Grid Operations Charges.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 24.</i>	
508.	<i>All "Temporary" Tariff changes located in Sections 23 through 28 of the ISO Tariff should be relocated to the modified sections.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 29.</i>	
509.	<i>Each ISO Protocol allows for the ISO Governing Board to review and approve proposed changes to the Protocols. These sections should be revised to provide for filing of all Protocol changes with the Commission for review and approval of any amendment prior to implementation.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments at 64.</i>	
510.	<i>Section 2.2.4.6 of the ISO Tariff, which provides for notice to an Eligible Customer of termination of its Scheduling Coordinator's agreement simply by a posting on the ISO Home Page, is insufficient notice. The ISO should be required to provide such notice to each Eligible Customer by e-mail.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix 1 at 1. See also issue 36.</i>	
511.	<i>The tolerance band specifications necessary to validate submitted schedules are not referenced in Section 2.2.7.2 of the ISO Tariff. It is also unclear how a schedule can be "deemed to be balance" just because it is an import, export, or an Inter-SC trade.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 2.</i>	
512.	<i>The phrase "Regulation and Reserve" in the first sentence of Section 2.5.20.2 of the ISO Tariff should be replaced with the defined terms "Regulation," "Operating Reserve," and "Replacement Reserve" to make the wording more consistent with Section 2.5.20.4.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix 1 at 5.</i>	
513.	<i>The term "Transmission Loss Imbalance Charge" in Section 2.2.7.3 of the ISO Tariff is not a defined term and should be deleted from the seventh sentence of that section.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 3.</i>	
514.	<i>The term "ISO's estimated average cost" for Imbalance Energy, Ancillary Service and Usage Charges in Section 2.2.7.3 should be clarified to specify how this estimate is calculated.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 3.</i>	
515.	<i>The third sentence of Section 2.2.12.6 of the ISO Tariff is a repeat of the second sentence.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 3.</i>	

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516.	<i>The term "ISO Operations Protocols" in Section 2.3.1.2.2 of the ISO Tariff is not a defined term.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 3.</i>	
517.	<i>Section 2.3.2.3.4 of the ISO Tariff appears to have an incorrect reference - 2.3.2.3.2(c) should be 2.3.2.3.2(d).</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 3.</i>	
518.	<i>Section 2.3.2.6 of the ISO Tariff should provide for posting of the prioritized Load shedding and restoration schedule on the ISO Web Site.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 3.</i>	
519.	<i>Section 2.3.3.6.1 of the ISO Tariff does not establish a time frame within which the Operator must provide written justification for refusing a request for a Maintenance Outage.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 4.</i>	
520.	<i>The heading of Section 2.5.7.1 is a defined term which has been deleted from the ISO Tariff, therefore, the section should be renamed.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 4.</i>	
521.	<i>The term "market" should be capitalized in the last sentence of Section 2.5.11 of the ISO Tariff.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 4.</i>	
522.	<i>The first sentence of the third paragraph of Section 2.5.20.3 of the ISO Tariff is essentially a repeat of the first sentence of the second paragraph. Also, the last sentence of the third paragraph is essentially a repeat of the first sentence of the first paragraph.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 5.</i>	
523.	<i>The use of the phrase "the ISO considers" in Section 5.6.1 of the ISO Tariff presents the perception that the ISO uses subjective opinion in defining System Emergency.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 5.</i>	
524.	<i>Section 5.10.5 of the ISO Tariff places responsibility for repayment to the ISO of any reserve payment on the owner of Reliability Must-Run Units. However, such an owner may not be the appropriate party for this repayment.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 6.</i>	
525.	<i>The definition for UFE in ISO Appendix A references a section listed as "Not Used."</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 6.</i>	
526.	<i>The term "ISO Operating Agreement" in ISO Appendix B, Section 1.B, is not a defined term.</i> <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 6.</i>	

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527.	<i>The second paragraph of MMIP 2.3.4.4 refers to MMIP 2.2.4 which does not exist. It appears that the section should refer to MMIP 2.3.4.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 13.</i>	
528.	<i>The references to Section 2.6 in SCAP 2.7.1 appear to be incorrect, the reference should be Section 2.7.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 15.</i>	
529.	<i>The references to SCAP 2.6.1 in SCAP 2.7.2 appear to be incorrect, the reference should be Section 2.7.1.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/5 Comments, Appendix I at 15.</i>	
530.	<i>The changes to Section 2.5.22.8 of the ISO Tariff give the ISO excessive authority in managing Intra-Zonal Congestion by extending its control over the dispatch of Non-Participating Generators who have not agreed to be bound by the terms of the ISO Tariff or the Participating Generator Agreement.</i>  <i>Metropolitan</i>	<i>Metropolitan's filing in ER98-3760-000, at 13-14, filed August 17, 1998. ("Metropolitan's 8/17 Comments")</i>	
531.	<i>The ISO's revision to the definition of Grid Operations Charge confuses how this charge is calculated and appears to confuse the distinction between Inter- and Intra-Zonal charges.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/17 Comments at 14-15</i>	
532.	<i>The revision to Section 2.5.20.7(e), which infers that Ancillary Services can only be delivered from another Control Area under an Existing Contract, is no longer necessary in light of the Commission's acceptance of ISO Tariff Amendment No. 10.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/17 Comments at Appendix A</i>	
533.	<i>The term Balancing Energy in Section 2.5.22.5 of the ISO Tariff is not a defined term and should not be capitalized.</i>  <i>Metropolitan</i>	<i>Metropolitan's 8/17 Comments at Appendix A</i>	
534.	<i>In its October 30 Order at 61,457, the Commission explicitly directed the ISO to include in its Tariff at Section 2.3.1.3.2 a reference to Section 5 of the Transmission Control Agreement ("TCA") placing limits on the ISO's ability to establish new reliability criteria. A review of the Compliance Tariff at page 33 shows only a general reference to the TCA, whereas the Commission ordered the ISO to reference Section 5 of the TCA which requires consultation with Participating TOs and other Market Participants.</i>  <i>Cities/M-S-R</i>	<i>Comments of Redding, Santa Clara and Palo Alto and the M-S-R Public Power Agency, Docket Nos. EC96-19-029, et al., at 4, filed August 5, 1998 ("Cities/M-S-R 8/5/98")</i>	
535.	<i>At page 61,478 of the October 30 Order, the Commission required the ISO to file specific practices and procedures, including a description of cost calculation and recovery, that the ISO will use to resolve Intra-Zonal Congestion. The ISO failed to make any change in the Compliance Tariff in response to the Commission's Order that "direct[s] the ISO to modify its Tariff to incorporate these changes."</i>  <i>Cities/M-S-R</i>	<i>Cities/M-S-R 8/5/98 at 4-5.</i>	

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536.	<p><i>At page 61,478 of the October 30 Order, the Commission stated "...[W]e require that the ISO delete sections 2.5.22.8, 7.2.1.4.2, 7.2.4.1.3, 7.2.6.1, 7.2.6.1.1 through 7.2.6.1.6, 7.3.2 and 7.3.2.1" The ISO failed to delete Sections 2.4.22.8, 7.2.1.4.2 or 7.3.2.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 5-6.</i></p>	
537.	<p><i>At page 61,479 of the October 30 Order, the Commission ordered the ISO to make public the algorithm it uses to manage Inter-Zonal Congestion. Rather than making the algorithm publicly available, the ISO stated that the algorithm's model and software are proprietary information and that a description of the algorithm would be placed on the ISO Home Page.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 6-7.</i></p>	
538.	<p><i>At page 61,482 of the October 30 Order, the Commission required the ISO to compute, for each Advisory and Final Schedule in the Day-Ahead and Hour-Ahead Markets, the Dispatch and Usage Charges that would have resulted if the ISO had been allowed to relieve Congestion without the restriction that Scheduling Coordinators keep their schedules balanced. The Commission noted that the calculation would inform Market Participants about potential trading opportunities. While the Commission's Order did not specifically require that this obligation be embodied in the Compliance Tariff, this is precisely the type of obligation that should be specified in the ISO Tariff. Neither the Compliance Tariff nor the Compliance Matrix addresses this matter.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 7.</i></p>	
539.	<p><i>At page 61,485 of the October 30 Order, the ISO was instructed to reflect in the Compliance Tariff the procedures for allocating transmission capacity on a pro-rata basis, particularly those related to maintaining balanced schedules, for each Scheduling Coordinator when the ISO reduces a Scheduling Coordinator's Generation due to insufficient transmission capacity. In response, the ISO stated that it modified Section 10.2 of the Scheduling Protocol to comply with the Commission's Order. The ISO's response fails to comply with the October 30 Order.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 8.</i></p>	
540.	<p><i>At page 61,494 of the October 30 Order, the Commission recognized that a Scheduling Coordinator would not be required to pay for additional Replacement Power and other Ancillary Services where the Loads and Generation, in real time, differ from the scheduled Loads and Generation, but while the Loads and Generation remain in balance. In such a case, the ISO must procure additional Replacement Power and other Ancillary Services. The Commission stated that the Scheduling Coordinator should pay the additional costs for Ancillary Services in such a situation, and ordered the ISO to modify the ISO Tariff to reflect that decision. Rather than make any modification to the ISO Tariff, the ISO stated this matter is "highly technical," would be expensive to fix and is to be an item covered in Revised Staging Plan 4.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 9.</i></p>	

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541.	<p><i>At page 61,499 of the October 30 Order, the Commission required that the ISO Tariff be modified to reflect that Ancillary Service resources can be dispatched by telephone or fax, rather than solely by direct computer link, since full computer link capability has not been reached. While the ISO made certain changes to the relevant ISO sections, i.e., Sections 2.5.6.2 and 2.5.22.10, the substance of the Commission's Order was not implemented.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 10.</i></p>	
542.	<p><i>At page 61,505 of the October 30 Order, the Commission required the ISO to modify Section 7.1.3 regarding the Self-Sufficiency Test to clarify that existing transmission service contracts can satisfy the Self-Sufficiency Test while such contracts are in existence. The ISO modified Section 7.1.3.1 in an attempt to comply with the October 30 Order. However, the ISO's proposed fix does not properly implement the October 30 Order.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 11.</i></p>	
543.	<p><i>At page 61,509 of the October 30 Order, the Commission stated that Eligible Customers should be able to be represented by more than one Scheduling Coordinator. However, the Commission recognized the ISO had not, at that time, developed the software necessary to accommodate the use of more than one Scheduling Coordinator. The Commission required the ISO to keep the Commission apprised of the software development and to notify the Commission if the software would not be ready by the ISO Operations Date and, if not, to ask for any extensions of time needed. At the ISO Operations Date, and currently, no Eligible Customer is allowed to use more than one Scheduling Coordinator. The Compliance Tariff is silent on the matter and the issue does not appear on the ISO's Compliance Matrix.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 11-12.</i></p>	
544.	<p><i>In response to concerns over the requirement to maintain Operating Reserves equal to the total amount of Interruptible Imports scheduled by a Scheduling Coordinator, the Commission, at page 61,510 of the October 30 Order, required the ISO to add language to the ISO Tariff and make conforming changes to provide that only those Scheduling Coordinators that are importing Interruptible Energy will be charged for the Ancillary Services associated with that Interruptible Energy. The Compliance Filing is silent on this matter and the Compliance Matrix does not reflect this issue.</i></p> <p><i>Cities/M-S-R</i></p>	<p><i>Cities/M-S-R 8/5/98 at 12.</i></p>	
545.	<p><i>To the extent that the Wheeling Access Charge is to be applied to services other than Wheeling Out or Wheeling Through (i.e., also applied to "a Non-PTO load to serve a municipality" as described on the ISO Homepage), the ISO Tariff should be amended, consistent with 18 CFR Part 35 requirements, to clearly specify the rate and its applicability</i></p> <p><i>DWR</i></p>	<p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, filed 08/05/1998; EC96-19-029 &amp; ER96-1663-030 Motion of DWR to Supplement the Record, filed 09/18/1998</i></p>	

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546.	<p><i>Existing Contract provisions permitting netting of wheeling in and wheeling out transactions should be honored.</i></p> <p>DWR</p>	<p>EC96-19-029 &amp; ER96-1663-030, Comments of DWR, filed 08/05/1998; EC96-19-029 &amp; ER96-1663-030 Motion of DWR to Supplement the Record, filed 09/18/1998; EC96-19, et al., Comments of DWR, p. 35, filed 06/06/1997; EC96-19, et al., See also Comments of DWR, pp. 8-10, filed 09/02/1997</p>	
547.	<p><i>ISO Tariff provisions and ISO directives should govern over any other inconsistent transmission provisions and directives.</i></p> <p>DWR</p>	<p>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 9 filed 08/05/1998; EC96-19, et al., Comments of DWR, p. 34, filed 09/02/1997</p>	
548.	<p><i>The ISO Tariff Should Not Be Construed As Permission By State Agencies To Be Sued In Federal Court.</i></p> <p>DWR</p>	<p>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 44 filed 08/05/1998</p>	
549.	<p><i>Existing Rightsholders should not be charged the Intra-Zonal Grid Operations Charges.</i></p> <p>DWR</p>	<p>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p.6-7 filed 08/05/1998</p>	
550.	<p><i>Unaccounted For Energy charges attributable to utility distribution company activities should not be charged to ISO scheduling coordinators operating at ISO Grid levels. Also, UFE charges should be unbundled.</i></p> <p>DWR</p>	<p>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 13-16 filed 08/05/1998</p>	
551.	<p><i>ISO Tariff Provisions That Give Load An Implicit Priority In Congestion Management Violate Existing Contracts, Are Inconsistent With Commission Orders, And Must Be Rejected.</i></p> <p>DWR</p>	<p>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 39 filed 08/05/1998</p>	
552.	<p><i>ISO Tariff Provisions Under Amendment 7 May Fail To Address Relative Priorities Under Existing Contracts.</i></p> <p>DWR</p>	<p>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 40 filed 08/05/1998</p>	

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553.	<p><i>Appendix K, Addressing Scheduling Mechanisms, Should Not Be Removed By Way Of Clarification While Issues Of Curtailment Priorities For Existing Contracts Remain Unresolved.</i></p> <p><i>The ISO should comply with FERC rulings requiring that Existing Contracts be honored. Contract Reference Number requirements and related rules are currently unworkable.</i></p> <p><i>DWR</i></p>	<p><i>ER98-3760, Intervention, Comments &amp; Protest of DWR, p 4 filed 08/17/1998</i></p>	
554.	<p><i>Overgeneration Issues Should Not Impinge Upon Existing Contracts.</i></p> <p><i>DWR</i></p>	<p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 41 filed 08/05/1998</i></p>	
555.	<p><i>The ISO Tariff Should Not Preclude DWR's System From Operating And Self-Providing Ancillary Services As A Metered Subsystem.</i></p> <p><i>DWR</i></p>	<p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 29-32 filed 08/05/1998</i></p>	
556.	<p><i>The ISO Tariff Should Not Make Participants' Rights To Become An MSS Contingent Upon An "Existing Operating Agreement" Signed Prior To ISO Start-Up.</i></p> <p><i>DWR</i></p>	<p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 33 filed 08/05/1998</i></p>	
557.	<p><i>Lower Cost Alternatives To Transmission Expansion Should Also Be Compensated At The Higher Of Its Cost Of Service Or Opportunity Cost.</i></p> <p><i>DWR</i></p>	<p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 43 filed 08/05/1998</i></p>	
558.	<p><i>The ISO Should Be Required To Establish How Existing Contract Holders Will Be Paid Usage Charge And Wheeling Revenues Upon Conversion of the Rights.</i></p> <p><i>DWR</i></p>	<p><i>EC96-19-029 &amp; ER96-1663-030, Comments and Protest of DWR, p. 22 filed 08/05/1998</i></p>	

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559.	<p><i>Allow imports and exports to set incremental/decremental prices at interties. The current ISO software apparently does not permit instructed deviations at interties to set the ten minute inc. and dec. market clearing prices when there is real-time congestion. This introduces market inefficiencies because market participants do not always see the true value of their transactions. For example, if there is real-time North to South congestion on the Pacific Intertie and a supplier in NP-15 has a competitive inc. and a supplier at NW1 has submitted a competitive supplemental dec. bid, real-time prices should rise in NP-15 and drop at NW1 based on BEEP exercising these two bids (i.e., instructed deviations). What happens today in these situations is unclear but we have never seen a real-time price at an intertie point different from the zone to which the intertie point is connected. Necessarily, then, market participants are not seeing efficient prices and some market participants are subsidizing other market participants. It is unclear, for example, whether this creates a bias for entities outside the control area to move their transactions from day-ahead into the real-time market to avoid the consequences of congestion, or if it creates a bias in the opposite direction. The ability to set unique real-time prices at interties is especially important as ancillary service imports from out of the control area increase in volume. Such capacity imports will presumably expand the size of the ISO's BEEP stack and increase the probability that the ISO will encounter real-time congestion between an intertie point and the zone to which the intertie point is connected.</i></p> <p>SDG&amp;E</p>		
560.	<p><i>Proposed ISO Tariff Change to Procure and Settle Replacement Reserves on the Same Basis. The ISO is proposing to file a tariff amendment with FERC to "make clear" that Replacement Reserves will be procured and settled on the same basis. We gather from the discussion at the meeting that the ISO intends to request that this tariff amendment be applied retroactively. As was noted at the meeting, the existing tariff language requires the ISO to allocate the cost of Replacement Reserves on a zonal basis only when there is, in fact, congestion in the day-ahead market. Imagined congestion, i.e. congestion that is in the mind of the ISO and not actually on the transmission system, is not a basis for allocating such costs zonally.</i></p> <p>SDG&amp;E</p>		
561.	<p><i>Proposed Tariff Changes Relating to RMR Settlements SDG&amp;E believes the ISO's proposed changes to the Settlement and Billing Protocol, Appendix H, are not adequate to remedy the numerous defects which currently exist in the tariff provisions and protocols relating to settlement of RMR contract costs. The following changes need to be made retroactively to conform the tariff and protocols to what the ISO is actually doing, to correct errors in the equations, and to add missing provisions that would allow the ISO to recover RMR contract costs on a non-discriminatory basis.</i></p> <p>SDG&amp;E</p>		

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562	<p><i>(a) Section 5.2.7 of the ISO tariff should be revised to conform to the ISO's existing practice of recovering certain RMR contract costs (e.g., costs incurred by the ISO for ancillary service capacity arranged by the ISO pursuant to an RMR Dispatch Notice) from all scheduling coordinators rather than from "the utility that is a party to the TCA in whose Service Area the Reliability Must-Run Generating Unit is located". This revision distinguishes between RMR contract costs that are incurred as a result of local reliability requirements and RMR contract costs that are incurred as a result of grid-wide reliability requirements. Section 5.2.7 should be revised to read as follows: The ISO shall recover the costs it incurs through payments under each Reliability Must-Run Contract for local Reliability Must-Run services from the utility that is a party to the TCA in whose Service Area the Reliability Must-Run Generating Unit is located after deducting the amounts received by the Reliability Must-Run Owner from Scheduling Coordinators for Energy and Ancillary Services, as set forth in Appendix H of the Settlement and Billing Protocol. The ISO shall prepare and send to each utility in accordance with the relevant ISO Protocol an invoice in respect of all such local Reliability Must-Run service costs incurred under all such contracts relating to that utility's Service Area. The ISO shall recover the costs it incurs through payments under each Reliability Must-Run Contract for grid-wide Reliability Must-Run services from Scheduling Coordinators as set forth in Appendix H of the Settlement and Billing Protocol. The ISO shall prepare and send to each Scheduling Coordinator in accordance with the relevant ISO protocol an invoice in respect of all such grid-wide Reliability Must-Run services costs incurred."</i></p> <p>SDG&amp;E</p>		
563	<p><i>(b) Appendix H Section H 2.2 of the Settlement and Billing Protocol should be revised to read as follows: "Each Participating TO shall pay to the ISO the total amount payable by the ISO for local Reliability Must-Run services for each month under the Reliability Must-Run Contracts for the Reliability Must-Run Units located in the Participating TO's Service Area. The charge to Participating TO n for month m for Reliability Must-Run Unit u located in the Service Area of Participating TO n shall be calculated as follows: <math>RMR_{Cnmu} = RMR_{Paynmu}</math> The total charge to each Participating TO for local Reliability Must Run services for a given month shall be calculated by summing all the local Reliability Must Run service charges for the month for the Reliability Must Run Units located in the Service Area of the Participating TO. The charge for Participating TO n for month m shall be calculated as follows <math>Total\ RMR_{Cnm} = \sum(RMR_{Cnmu})</math> The total charge for all Participating TOs for local Reliability Must Run services for a given month is calculated by summing all the local Reliability Must Run service charges for all Participating TOs during month m. The total charge for all Participating TOs n for month m is calculated as follows: <math>Total\ RMR_{Cm} = \sum(RMR_{Cnm})</math>"</i></p> <p>SDG&amp;E</p>		
564	<p><i>The definition for <math>RMR_{Paynmu}</math> in Appendix H Section H 3.38 should be changed to read as follows: "The total amount payable by the ISO for local Reliability Must-Run services for month m under the Conditions of Must-Run Agreement applicable to Reliability Must-Run Unit u located in the Service Area of Participating TO n."</i></p> <p>SDG&amp;E</p>		

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565	<p>(d) Add a new section Appendix H Section H2.3: "Each Scheduling Coordinator shall pay to the ISO a share of the total amount payable by the ISO for grid-wide Reliability Must-Run services for each settlement period under the Reliability Must-Run Contracts for the Reliability Must-Run Units. This share shall be based on the ratio of each scheduling coordinator's metered load to all scheduling coordinators' metered load. The charge to Scheduling Coordinator j for Trading Interval t for Reliability Must-Run Unit u shall be calculated as follows: <math>RMRGWC_{jtu} = RMRGWP_{aytu} * [L_{ajt} / \text{Sum}(L_{ajt})]</math> The total charge to each Scheduling Coordinator for grid-wide Reliability Must Run services for Trading Interval t shall be calculated by summing each Scheduling Coordinator's share of grid-wide Reliability Must Run service charges across all Reliability Must Run Units u. The charge for Scheduling Coordinator j for Trading Interval t shall be calculated as follows: Total <math>RMRGWC_{jt} = \text{Sum}(RMRGWC_{jtu})</math>. The total charge for all Scheduling Coordinators for local Reliability Must Run services for a given month is calculated by summing all the grid-wide Reliability Must Run service charges for all Scheduling Coordinators across all Trading Intervals of month m. The total charge for all Scheduling Coordinators for month m is calculated as follows: <math>m \text{ Total } RMRGWC_m = \text{Sum}[\text{Sum}(RMRGWC_{jt})]</math>"</p> <p>SDG&amp;E</p>		
566.	<p>(e) Add a definition for RMRGWP<sub>aytu</sub> in new Appendix H Section H 3.45 as follows: "The total amount payable by the ISO for grid-wide Reliability Must-Run services for Trading Interval t under the Conditions of Must-Run Agreement applicable to Reliability Must-Run Unit</p> <p>SDG&amp;E</p>		
567.	<p>(f) Add a definition for RMRGWC<sub>jtu</sub> in new Appendix H Section H 3.46 as follows: "The grid-wide Reliability Must-Run Charge payable by Scheduling Coordinator j for Trading Interval t for Reliability Must-Run Unit u."</p> <p>SDG&amp;E</p>		
568	<p>(g) The payment equation shown in Section H 2.1 should be revised as follows: <math>RMR \text{ Pay } A_{uom} = \text{Sum}[(E_{uot} * RPR_{uot}) + (EM_{uot} * EMR_{uot}) + (E_{uot} * HVO \&amp; Muot) + (SCAC_{uot})] + HOF_{uom} + SUFC_{uom} + SUPC_{uom} + OSUC_{uom} + \text{Sum}[AGC_{uot} + SR_{uot} + NSR_{uot} + RR_{uot} + VS_{uot} + ASPDP_{uot}] \text{ Sum}[ \text{THIS TERM IS NOT CURRENTLY USED } ] - \text{Sum}[SCASC_{Puot} * RMR \text{ Anc. Ser. Cap.}] - \text{Sum}[SCASE_{Puot} * RMRGa/s] - \text{Sum}[ER_{uot} * Px_{uot}] - \text{Sum}[(E_{uot} - ER_{uot}) * Px_{uot}]</math> Note: Analogous changes need to be made to "RMR Pay Buom" and "RMR Pay Cuom".</p> <p>SDG&amp;E</p>		
569.	<p>(h) Add a new subsection to Appendix H Section H 2.1 (e) as follows: "RMR Total Paym = Sum(RMR Total Payom)"</p> <p>SDG&amp;E</p>		

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570.	<p>(i) Add a definition for RMR Total Paym in new Appendix H Section H 3.47 as follows: "The total amount payable for month m from ISO to all Reliability Must-Run Owners for local and grid-wide Reliability Must-Run services from Reliability Must Run Units to which Conditions of Must-Run Agreements A, B or C apply."</p> <p>SDG&amp;E</p>		
571.	<p>(j) An important settlement check should be added as new Section H 2.4: "RMR Total Paym = Total RMRCm + TotaRMRGWCm"</p> <p>SDG&amp;E</p>		
572.	<p>(k) Section H 3.18 does not define the "price payable" to a Reliability Must-Run Unit Owner for ancillary service capacity used in a non-market transaction. In practice the ISO has been using the rate payable to the RMR Must-Run Unit Owner in accordance with Schedule E in the RMR agreements. Since the ISO has no explicit tariff basis for using this rate, Section H 3.18 must be changed retroactively to reflect the ISO's current practice. This is accomplished by adding the following sentence at the end of Section H.3.18: "The price payable is the contract capacity price defined in Schedule E of the RMR contract."</p> <p>SDG&amp;E</p>		
573.	<p>(l) Section H 3.19 does not define the "price payable" to a Reliability Must-Run Unit Owner for Energy delivered from ancillary service capacity used in a non-market transaction. In practice the ISO has been using the market-based hourly imbalance energy price. Since the ISO has no explicit tariff basis for using this rate, Section H 3.19 must be changed to reflect the ISO's current practice. This is accomplished by adding the following sentence at the end of Section H.3.19: "The price payable is equal to Pxuot." Proposed Tariff Changes Eliminating References to "Proxy Prices" for Self-Provided Ancillary Services</p> <p>SDG&amp;E</p>		

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<p>574.</p>	<p><i>The ISO proposes to modify the ISO tariff to eliminate references to “proxy prices” for Energy bids associated with self-provided Ancillary Services. The ISO’s discussion of this issue suggests that these proxy prices are not needed because the ISO considers only capacity prices in its bid evaluation for Ancillary Service capacity. The discussion then goes on to say that the BEEP functionality makes no distinction with respect to Energy bids associated with self-provided Ancillary Services versus bid Ancillary Services. SDG&amp;E is confused by this discussion because self-provided ancillary services, by definition, are not included in the ISO’s ancillary services auction. Further, self-provided ancillary services are included in the BEEP merit order stack so that the ISO knows when to call on energy from this capacity. A “proxy price” is required for self-provided ancillary services in order that BEEP can determine where self-provided ancillary services fit into the merit order stack of resources available to respond to real-time imbalances. This merit order stack includes both self-provided ancillary service capacity as well ancillary service capacity arranged through the ISO’s own ancillary services auction. Based on the information provided by the ISO, SDG&amp;E questions whether the subject tariff references should be eliminated.</i></p> <p><i>SDG&amp;E</i></p>		
<p>575.</p>	<p><i>Proposal to Bill Ancillary Services Based on Metered Demand There is widespread concern about market participants avoiding ancillary services charges—currently settled on the basis of scheduled load—by under-scheduling load. SDG&amp;E supports changes which would allocate ancillary service costs on the basis of metered load rather than scheduled load. The ISO has presented 3 options for implementing an ancillary service cost allocation based on metered load: 1) Bill strictly based on metered load, 2) Bill on the basis of metered load but account for each scheduling coordinator’s use of scheduled firm imports (based on the final import schedule), scheduled hydro and scheduled thermal generation to establish the scheduling coordinator’s obligation to pay ancillary service costs (a scheduling coordinator’s reserve obligations are 0%, 5% and 7% to the extent their load is being served by firm imports, hydro generation and thermal generation respectively); 3) Bill on the basis of metered load but account for each scheduling coordinator’s use of metered firm imports (metered imports are deemed equal to the real-time scheduled imports), metered hydro and metered thermal generation to establish the scheduling coordinator’s obligation to pay ancillary service costs (a scheduling coordinator’s reserve obligations are 0%, 5% and 7% to the extent their load is being served by firm imports, hydro generation and thermal generation respectively).</i></p> <p><i>SDG&amp;E</i></p>		

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576.	<p><i>The ISO has proposed eliminating payments for ancillary service capacity and associated instructed energy to the extent the underlying capacity is determined to not be available. SDG&amp;E has supported this concept with the condition that the ISO find a way to (1) exempt regulation capacity from this mechanism, and (2) account for energy which is taken by the ISO pursuant to an RMR Dispatch Notice or other out-of-market call. To date, we have not seen anything that gives us confidence that the ISO can exempt regulation capacity from this mechanism, other than completely exempting any unit selected for any non-zero quantity of regulation capability (either through the ISO's ancillary service auction or through an RMR Dispatch Notice). Until the necessary corrective mechanisms are developed, SDG&amp;E is forced to oppose the proposal to eliminate payments for ancillary service capacity and associated instructed energy to the extent the underlying capacity is determined to not be available.</i></p> <p>SDG&amp;E</p>		
577.	<p><i>Pricing of Uninstructed Imbalance Energy. The ISO proposes to implement new pricing for uninstructed imbalance energy that would reduce payments for uninstructed generation deviations in the positive direction and increase charges for uninstructed generation deviations in the negative direction. These changes in pricing are designed to create an incentive for market participants to submit supplemental energy bids that, when acted upon by the ISO, translate into instructed generation deviations. SDG&amp;E initially supported this proposal with the proviso that regulating units and units subject to RMR Dispatch Notices be exempted since it is the ISO and not the unit owner that controls the output of these units. Based on input provided at the October 7, 1998 Market Issues Forum, and on the fact that the ISO has yet to explain how regulating units and units subject to RMR Dispatch Notices would be exempted from this pricing mechanism, we have changed our position. Given the apparent complexity of the software necessary to implement the ISO's proposal, the possibility that ongoing improvements in the BEEP functionality will reduce the opportunity for market participants to benefit from uninstructed deviations, and the fact that the ISO has yet to provide a satisfactory explanation of how regulating units and units subject to RMR Dispatch Notices would be exempted from this pricing mechanism, SDG&amp;E opposes the ISO proposal to revise the pricing of uninstructed energy deviations.</i></p> <p>SDG&amp;E</p>		
578.	<p><i>Proposal to Revise Deadline for Supplemental Energy Bids. SDG&amp;E supports revising the deadline for Supplemental Energy bids to 60 minutes versus the existing 45-minute deadline</i></p> <p>SDG&amp;E</p>		
579.	<p><i>Proposal to specifically reference Y2K Compliance in the ISO Tariff. SDG&amp;E supports referencing Y2K compliance, however you have not detailed how or where the tariff would be modified. SDG&amp;E would like to review the proposed wording.</i></p> <p>SDG&amp;E</p>		
580.	<p><b>Section 2.2.4.7.2</b> provides that service will be provided under certain circumstances at "UDC rates." However, the ISO has not provided any justification as to why the UDC rate is the appropriate rate. Absent such justification, a Scheduling Coordinator should be compensated at its bid rate. ECI</p>	<p>ECI compliance filing protest at 8.</p>	

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581.	<b>Section 2.2.7.6</b> states that the ISO will honor all Existing Operating Agreements. An "Existing Operating Agreement" is defined as an agreement between the ISO and an entity operating a Metered Subsystem. See ISO Master Definitions Supplement. The ISO has failed to include a reference to Existing Contracts in this provision. Consistent with the Commission's October 30 Order, the ISO must modify this provision to include a statement that it will fully honor Existing Contracts. ECI	ECI compliance filing protest at 8	
582.	<b>Section 2.2.10.8</b> is modified to eliminate aggregate forecasts for Reliability Must-Run (RMR) Generation by Zone. However, the ISO has not provided any explanation for this change. As an aggregate forecast of RMR is a valuable piece of information for the market, the ISO should be required to reinstate this language. ECI	ECI compliance filing protest at 8-9.	
583.	<b>Section 2.2.11.3.3:</b> For purposes of a Schedule, a "Zone" is the Zone in which Energy is deemed to be provided by one Scheduling Coordinator to another under an Inter-Scheduling Coordinator Trade. In its compliance filing, the ISO has eliminated the term "Ancillary Services" from the definition. By deleting this term, it appears that ISO will now prohibit market participants from scheduling Ancillary Services across Zones. In order to foster the development of a liquid market in Ancillary Services, transfers of Ancillary Services from one Scheduling Coordinator to another across Zones should be permitted. If the ISO's software cannot accomplish this, then the ISO should be required to modify its software accordingly. ECI	ECI compliance filing protest at 9.	
584.	<b>Section 2.2.12:</b> The ISO proposes to enable itself to waive unilaterally the timing requirements of Section 2.2 of its Tariff, which relates to Scheduling in general. This provision should be rejected for a several reasons. The effect of this provision is to give the ISO unfettered discretion to vary its timelines at its whim. The fact that the ISO is unable to meet its own timing requirements, thus causing a "delay," by no means justifies the ISO's ability to re-write the rules, and more importantly, provides little incentive for the ISO to meet its own timing requirements. The ISO should be permitted to deviate from its scheduling timelines only under defined reliability emergencies. Finally, variable timelines do not contribute to fluid markets; instead, by setting up ill-defined parameters and removing predictability, they hinder market participants' ability to plan ahead. ECI	ECI compliance filing protest at 3.	
585.	<b>Section 2.5.3.3 (e)</b> provides that the ISO may determine the quantity of Replacement Reserve based on "such other factors affecting [the] ability of the ISO to maintain System Reliability as the ISO may from time to time determine." Such a provision gives the ISO undue discretion to modify its procedures without regard to its Ancillary Services Requirements Protocol. The ISO should modify its Tariff to eliminate this provision. Alternatively, the ISO Commission should clarify that this provision is subordinate to the ISO's Ancillary Services Requirements Protocol (specifically the Replacement Reserve Standards set forth in ASRP 6). ECI	ECI compliance filing protest at 9.	
586.	<b>Section 2.5.6.2</b> has been modified to permit the ISO to determine unilaterally "which method of communication is appropriate." Such discretion should not be left to the ISO. The selection of the method of communication should be mutually agreeable to both the ISO and the market participant. ECI	ECI compliance filing protest at 10.	
587.	<b>Section 2.5.20.7</b> sets forth the conditions to be satisfied by self-provided Ancillary Service schedules. One of the criteria appears now to limit self-provided Ancillary Services delivered from another control area to those arranged for pursuant to an Existing Contract. Section 2.5.20.7(e). The ISO has failed to justify this change. ECI	ECI compliance filing protest at 3-4.	

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588.	<b>Sections 2.5.11 and 2.5.22.4.2(f):</b> <i>In addition to the specific items required for bids, these sections provide that the ISO may require "other information as the ISO may determine it requires to evaluate bids as published from time to time in ISO Protocols." Such a broad provision puts too much discretion in the hands of the ISO. In order to protect the market from market manipulation by the ISO and ensure due process, the Commission should limit any additional bid information requirements to those filed and accepted by the Commission. ECI</i>	<i>ECI compliance filing protest at 10.</i>	
589.	<b>Section 2.5.22.5:</b> <i>It is unclear from this section (and others, e.g., Section 4.0 of the Schedules and Bids Protocol) whether the ISO intends to carry forward Adjustment Bids submitted in the Day-Ahead Market to use in the Real Time Market. As Adjustment Bids submitted in the Day-Ahead Market are based on the operating criteria and market assumptions at the time the bid is submitted, it would be inappropriate to use such Adjustment Bids in the Real Time Market. ECI</i>	<i>ECI compliance filing protest at 10.</i>	
590.	<b>Section 2.5.22.8</b> <i>provides that the ISO will adjust generation and load within the Zone to alleviate Intra-Zonal Congestion. Such adjustment will be made based on "Adjustment Bids available within the Zone." It is unclear from this section which Adjustment Bids the ISO intends to use: Day-Ahead, Hour-Ahead or Supplemental Energy. As discussed above with respect to Section 2.5.22.5, Day-Ahead Adjustment Bids are based on the operating criteria and market assumptions at the time the bids are submitted, and do not reflect the Real Time Market. For this reason, ECI recommends the use of Supplemental Energy, as it is the bid submitted closest to the time of dispatch. This section should be modified to specify that the ISO will adjust generation to alleviate Intra-Zonal Congestion based on Supplemental Energy. ECI</i>	<i>ECI compliance filing protest at 10-11.</i>	
591.	<b>Section 7.2.1.1</b> <i>provides that "[c]ongestion occurs when there is insufficient transfer capacity to simultaneously implement all of the Preferred Schedules that Scheduling Coordinators submit to the ISO." The ISO has modified this definition to exclude the use of Ancillary Services schedules in determining whether there is congestion. In order to avoid distortion of the system, the ISO must be required to run its congestion management program including Ancillary Services, as well as any transmission associated with Ancillary Services. Only in this way will the ISO have a complete picture of flows on the system prior to implementing its congestion management program. ECI</i>	<i>ECI compliance filing protest at 11.</i>	
592.	<b>Section 7.2.5.1:</b> <i>This section also addresses Inter-Zonal Congestion management. As with Section 7.2.1.1, the ISO has modified this section, without explanation, to exclude transmission associated with Ancillary Services. As with Section 7.2.1.1, the transmission associated with Ancillary Services should be used in determining congestion. To do otherwise will distort the congestion market. ECI</i>	<i>ECI compliance filing protest at 11-12.</i>	
593.	<b>Section 7.2.5.2.6:</b> <i>The ISO has eliminated this section from its Tariff without explanation. The ISO provide an explanation for this removal, or reinstate the section. ECI</i>	<i>ECI compliance filing protest at 12.</i>	
594.	<b>Section 7.2.6.3</b> <i>is modified to provide that the ISO will pay Scheduling Coordinators for RMR generation dispatched by the ISO at the "Energy weighted average of the decremental Adjustment Bids." This modification appears to be a unilateral attempt by the ISO to modify the contract price under its RMR contracts. The ISO should be required to modify this section to provide that the ISO will pay generators with RMR contracts the price under the RMR contract. ECI</i>	<i>ECI compliance filing protest at 12.</i>	
595.	<b>Section 7.3.2</b> <i>describes the Grid Operations Charges for Intra-Zonal Congestion, and provides that the ISO may redispatch a Scheduling Coordinator's resources. It is unclear where the ISO finds the authority to redispatch a generating unit except under a System Emergency. In order to ensure that the ISO remains a market facilitator, and not an economic dispatch facilitator, the ISO should clarify this section. ECI</i>	<i>ECI compliance filing protest at 12.</i>	

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596.	<b>Section 7.4.1</b> is modified to eliminate language that permits Scheduling Coordinators to self provide losses. In order to ensure that Scheduling Coordinators are able to self provide losses, the ISO should be required to reinstate this Tariff language. ECI	ECI compliance filing protest at 13.	
597.	<b>Section 23.2.1</b> amends Section 2.5.22.4.1 to provide that Supplemental Energy Bids must be submitted to the ISO not later than 45 minutes, rather than 30 minutes, prior to the operating hour. The ISO has attempted to justify this change by claiming that it will accommodate offers of Supplemental Energy imported from sources located in other control areas. However, the ISO has failed to explain why such bids cannot be accommodated under the current 30-minute deadline, and it is administratively burdensome for market participants who trade in other areas of the country that have the standard 30 minute deadline. This proposed amendment must be rejected. Similar changes to the Dispatch Protocol at Section DP 3.2 should be rejected for the same reasons. ECI	ECI compliance filing protest at 13-14.	
598.	<b>Section 23.2.1</b> (addressing Section 2.5.22.10 (f)) reserves the ISO's right to bypass a Scheduling Coordinator and communicate directly with a generator. One of the requirements of being a Scheduling Coordinator is 24-hour dispatch operations. As such, as long as the Scheduling Coordinator maintains its dispatch operations, the ISO should be prohibited from bypassing the Scheduling Coordinator and communicating directly with a generator. As a Scheduling Coordinator may be subject to penalties for a generator's failure to abide by the ISO's orders, it is extremely important that the Commission require the ISO to communicate with the Scheduling Coordinator. For the same reasons, the Commission should reject the ISO's proposed changes to Section DP 3.4.3 as well. ECI	ECI compliance filing protest at 14.	
599.	<b>Section 23.2.1</b> would delete certain language relating to the pricing of Imbalance Energy at Section 2.5.23.1. The current Tariff provides that Ex Post Prices will be based on the bid of the marginal Generating Units, Loads and System Resources dispatched by the ISO to reduce Demand or to increase or decrease Energy output in each BEEP Interval – "including resources that provide Imbalance Energy and Ancillary Services resources that increase or decrease Energy output or reduce Demand." The ISO proposes to remove the specific reference to resources that provide Imbalance Energy and Ancillary Services, explaining that its "clarification" is required based on Amendment No. 8. See Clarification Matrix, Item No. 66. The ISO must be required to further clarify its reasoning and intent behind the removal of this language.	ECI compliance filing protest at 4.	
600.	<b>Section 23.2.1</b> (addressing changes to Section 2.5.23.1) adds a proviso that the ISO will follow its BEEP software "to the extent practical." The ISO should not be permitted to give itself such broad latitude to respond to dispatch instructions issued by BEEP software, inasmuch as there is an increased likelihood for discriminatory application of the undefined "practical" qualifier. This modification should be rejected. ECI	ECI compliance filing protest at 14-15	

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<p>601. <b>Section 23.2.1</b> also seeks to amend Section 2.5.23.2 of the Tariff, which covers the determination of Ex Post Prices for Imbalance Energy. These provisions have been implemented by the ISO in a manner that severely limits the ability of market participants to operate with full knowledge of how they will be compensated by the ISO for providing this service. The ISO proposes that, in each BEEP Interval, there can be two instructed prices – an incremental Ex Post Price and a decremental Ex Post Price. Because the ISO does not post these prices (and has stated that it will be unable to do so until July 1999), a Scheduling Coordinator providing this service has no confirmation of what it is to be paid until Preliminary Settlements are released 47 days after the trade date. Moreover, because no instructed price is ever posted, the Scheduling Coordinator has no way of validating the Preliminary Statement for instructed deviations once the information is finally released. The ISO should immediately implement the necessary changes to its software in order to make the prices associated with this instructed deviations available to market participants on a timely basis. ECI</p>	<p>ECI compliance filing protest at 15-16.</p>	
<p>602. <b>Section 23.2.2</b> proposes to define the initial BEEP Interval as 10 minutes. However, the ISO goes on to provide that it may, upon 7 days’ notice, unilaterally modify the BEEP Interval to be anywhere from 5 to 30 minutes. The timing of the BEEP Interval can impact the real time Energy markets and ex post Energy markets. Therefore, the ISO should only adjust this interval via an appropriately-filed application with the Commission. ECI</p>	<p>ECI compliance filing protest at 16.</p>	
<p>603. <b>Section 23.4</b> would “temporarily” amend Section 6.1.1 of the Schedules and Bids Protocol, which addresses the generation section of Supplemental Energy Bid data, by treating a physical scheduling plant as a single generating unit. This artificial distinction should be rejected. The ISO distinguishes a “physical scheduling plant” from a generation plant by defining a physical scheduling plant as one where all units are tied to one ISO-approved meter. However, on a reliability basis, there should be no distinction between the two categories of plants. Such meters are costly and are unnecessary for the reliable and economic operation of a generation plant. Market participants should be permitted to economically dispatch the units of a plant. ECI</p>	<p>ECI compliance filing protest at 16-17</p>	
<p>604. <b>Section 28</b> temporarily amends Section 2.5.22.5 (real-time dispatch) to allow the ISO to set a price level above which Energy Bids will be rejected. This provision is inconsistent with the Commission’s decision regarding Amendment No. 7. There, FERC agreed with PG&amp;E’s requested clarification, which sought to ensure that the effect of the proposal would not be to prevent a unit that is actually called from receiving its bid price for any deliveries it actually makes. 83 FERC at 61,923. To that end, the Commission required the ISO to revise its proposal to make clear that “the price cap for units actually instructed by the ISO to generate imbalance energy” is to be the higher of (1) the highest price in the merit order stack called by the ISO, or (2) the then applicable bid price of any unit which actually received an instruction by the ISO and generated balancing energy. Id. The Commission reasoned that this clarification would ensure that a generator following the ISO’s instructions would receive a rate at least equal to that unit’s bid price, and noted further that the ISO’s software price cap only affects the ISO’s computer program. <u>It in no way establishes a sales price cap for any seller providing jurisdictional services to the ISO.</u> Id. at n.38 (emphasis added). This provision should be amended accordingly. ECI</p>	<p>ECI compliance filing protest at 17-18</p>	

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605.	<b>Self provision of ancillary services.</b> There still exists several restrictions on the self-provision of Ancillary Services. First, the ISO will not permit a market participant to both self-provide Ancillary Services and bid any remaining generation available for Ancillary Services from the same unit. Rather than a strict prohibition in the Tariff, however, this appears to be a limitation of the ISO's software. Second, the ISO prohibits Scheduling Coordinators from selling Ancillary Services to other Scheduling Coordinators inside the California ISO grid and to others outside the California ISO grid. Again, in order to promote competition in the Ancillary Services market, such Ancillary Service trades should be permitted. ECI	ECI compliance filing protest at 18-19.	
606.	<b>ASRP 5.1.2</b> provides that Spinning Reserves and Regulation may be provided as separate services from the same Generating Unit. ECI supports this flexibility, but it appears to be inconsistent (or at least has been with the ISO's practice) with the sequential bid process included in ISO Tariff, Section 2.5.13. The ISO should modify its Tariff to permit market participants to bid for multiple Ancillary Services from the same Generating Unit. ECI	ECI compliance filing protest at 19-20	
607.	<b>DP 3.4.4</b> provides that the ISO may apply penalties, fines, or sanctions for a Scheduling Coordinator's failure to abide by the ISO's instructions. ECI objects to this provision. First, the ISO should be prohibited from imposing any penalties, fines or sanctions, until the such penalties, fines or sanctions have been filed with and approved by the Commission. Second, the ISO should be prohibited from imposing penalties, fines or sanctions as long as a generator is abiding by the terms of its contract with the ISO. Third, the ISO proposes to bypass the Scheduling Coordinator and communicate directly with the generator. In such instances, neither the Scheduling Coordinator nor the generator should be penalized. Lastly, the ISO appears to be attempting to expand in this section its penalty authority beyond Ancillary Service to the Supplemental Energy market. Such expansion of authority should not be permitted. ECI	ECI compliance filing protest at 20.	
608.	<b>DP 3.8.1 and 3.9.1</b> provide that the ISO will provide certain information regarding the status of the system to adjacent control areas. In order to ensure that all parties, including adjacent control areas, have access to the same information and are otherwise competing on a level playing field, the ISO should provide system status and Interconnection information to all market participants. To share such information with neighboring control areas only is discriminatory. ECI	ECI compliance filing protest at 20-21.	
609.	<b>DP 7.1 and 7.3</b> provide that Supplemental Energy Bids must be submitted no later than 30 minutes prior to the beginning of the Settlement Period. ECI supports this or any shorter time frame (down to 20 minutes prior to the beginning of the Settlement Period). This requirement, however, appears to be inconsistent with the 45-minute requirement now included in other sections of the Dispatch Protocol (See ISO Tariff, Section 23.3, modifying DP Section 3.2). As noted, ECI objects to the ISO's proposal to increase the advance notice required for Supplemental Energy Bids. Prior to this change, this process had been working well; the ISO has not justified any departure from the 30-minute time frame. As such, the ISO should not be permitted to push back the market. ECI	ECI compliance filing protest at 21.	
610.	<b>DP 7.4</b> adjusts Day-Ahead Final Schedules to accommodate Intra-Zonal Congestion. The ISO should be prohibited from adjusting Final Schedules. Market participants need to be confident of their final schedules at some predetermined point. Any congestion management on the part of the ISO should take place between the initial preferred schedule and the revised preferred schedules, such that all congestion management has taken place prior to the issuance of Final Schedules. ECI	ECI compliance filing protest at 21.	

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611.	<i>DP 8.1.1 permits the ISO to dispatch generating units to meet real-time imbalances, to relieve congestion, and to ensure reliability. ECI objects to this provision. The ISO should not be permitted to issue a dispatch order for a generator unless a generator submitted a bid that has been accepted and the ISO has issued a Final Schedule. As the ISO does not know all of the economics associated with running a particular generator, it would be unjust and unreasonable to permit the ISO to have unlimited authority to dispatch a generator, unless the generator has entered into a contract with the ISO to provide such service. ECI</i>	<i>ECI compliance filing protest at 21-22.</i>	
612.	<i>DP 8.2. The ISO should not be permitted to use Adjustment Bids submitted in the Day-Ahead market for the real-time market. Such Day-Ahead Adjustment Bids are based on the operating criteria and market assumptions at the time the bids are submitted (See comments to Tariff Section 2.5.22.5). ECI</i>	<i>ECI compliance filing protest at 22.</i>	
613.	<i>DP 8.5 appears to be inconsistent with the terms of Existing Contracts. Consistent with the rights under such contracts, the ISO should modify this section to provide that the ISO may adjust Existing Contracts only to the extent permitted under such contracts. Additionally, as discussed in ECI's comments on DP 8.1.1, the ISO should not be permitted to make adjustments after Final Schedules have been issued. ECI</i>	<i>ECI compliance filing protest at 22.</i>	
614.	<i>DP 8.6.2 (f). The ISO should not be permitted to use Day-Ahead Adjustment Bids for real-time market problems, as discussed above. In the interim, the ISO could use Imbalance Energy submitted 45 minutes prior to the hour. In the long term, the ISO should be required to publish such information and facilitate an open market to solve congestion. ECI</i>	<i>ECI compliance filing protest at 23.</i>	
615.	<i>DP 8.6.3 (e): In order to protect the market from market manipulation, the ISO should be prohibited from viewing the Energy Bid prices when making dispatch decisions. Specifically, the BEEP stack process should simply assemble the bids in price order, and then provide this order to the ISO. In this way, the ISO can still dispatch based on economics, but its ability to discriminate based on the price bid will be eliminated. Given the ISO's history of market manipulation, the Commission should conceal price information from the ISO and require that it dispatch generation in the merit order of the BEEP stack. ECI</i>	<i>ECI compliance filing protest at 23-24</i>	
616.	<i>DP 8.7.3 (d) appears to be inconsistent with Section 5.1.4.1 (h) of the Schedules and Bids Protocol, which requires 60-minutes notification for the dispatch of Replacement Reserve, while BEEP is dispatched on 10 minutes notification. The ISO should clarify this provision to comply with the Schedules and Bids Protocol for Replacement Reserve. ECI</i>	<i>ECI compliance filing protest at 24.</i>	
617.	<i>DP 9.1.1(e) permits the ISO to "control the output of Generating Units . . . scheduled to provide Ancillary Services or offering Supplemental Energy." ECI objects to this provision. As the ISO has control over Final Schedules, physical control of the facilities is not needed. In order to protect the market from manipulation by the ISO, the ISO should be prohibited from controlling the output of generators unless the generator is providing Regulation, and there is an actual System Emergency, as required by ISO Tariff, Section 2.3.2.3. Outside of System Emergencies, generators should have control over whether they run their facilities, not the ISO. ECI</i>	<i>ECI compliance filing protest at 24-25.</i>	
618.	<i>DP 9.4.1 (e) permits the ISO to shut down a generating unit. ECI objects to the broad discretion. The ISO should not be able to shut down a generating unit unless there is an actual System Emergency. Additionally, any shutdown should be consistent with Good Utility Practice, so as not to harm generation facilities. ECI</i>	<i>ECI compliance filing protest at 25.</i>	

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619.	<i>DP 9.5 grants the ISO broad authority to impose Dispatch Instructions upon generating units, and permits the ISO to sanction a generator for non-compliance. ECI objects. First, the ISO's dispatch authority should be limited to dispatching units in the event of an actual System Emergency. Second, the generator should only be required to comply with the Dispatch Instructions to the extent the ISO has provided all of the dispatch information required under the Tariff. Third, sanctions should apply only in the case of Ancillary Services, not Supplemental Energy, and should apply only if they have been filed with and approved by the Commission (see discussion above with respect to DP 3.4.4). ECI</i>	<i>ECI compliance filing protest at 25</i>	
620.	<i>DP 10.1.1, .2 and .3 provide definitions of System Alert, System Warning, and System Emergency. These provisions are ambiguous as to the criteria of when the ISO may call such emergency conditions. In order to protect the market from the abuses that could occur without objective criteria, the ISO should modify its Tariff to include such criteria. ECI</i>	<i>ECI compliance filing protest at 25-26.</i>	
621.	<i>DP 10.2.8: In order to protect the market from the abuses that could occur with respect to the calling of a System Warning or Emergency, the ISO should file reports notifying FERC whenever the ISO calls a System Warning or Emergency. This report should contain information regarding any out-of-market generators it was required to dispatch.. This is justified here because the ISO appears to be abusing its authority by calling these emergency conditions more frequently than prior to ISO operations. ECI</i>	<i>ECI compliance filing protest at 26.</i>	
622.	<i>SBP 2.1.4 requires the parties to an Inter-Scheduling Coordinator Trade to agree on a Zone in which the Inter-Scheduling Coordinator Trade will be deemed to have taken place. If the parties to an Inter-Scheduling Coordinator Trade cannot agree on the Zone, the ISO is empowered to designate one. The provision is silent, however, as to how the ISO will designate the zone. In order to eliminate the potential for discriminatory application of this provision by the ISO, and to provide market participants with a level of certainty with respect to the factors used by the ISO in designating the zone, the ISO should modify this provision to set forth the criteria to be followed when the ISO determines the zone. ECI</i>	<i>ECI compliance filing protest at 27.</i>	
623.	<i>SP 3 (a) provides the ISO with broad latitude to modify its scheduling timelines. For instance, the ISO may implement "temporary" variations to the timing requirements "for reliability purposes or due to error or delay caused by the ISO's inability to meet its own timing requirements." The fact that the ISO is unable to meet its own timing requirements, thus causing a "delay," by no means justifies the ISO's ability to re-write the rules, and more importantly, provides little incentive for the ISO to meet its own timing requirements. ECI</i>	<i>ECI compliance filing protest at 27-28.</i>	
624.	<i>SP 3.2.6.3: The ISO has provided no justification for a broad invalidation of all Settlement Periods, when a submittal is invalidated for a single Settlement Period. Implementation of this invalidation provision in the complex, multi-product ISO market contributes to the lack of liquidity in the market, and creates a major barrier to entry. As such, it should be rejected. ECI</i>	<i>ECI compliance filing protest at 28.</i>	
625.	<i>SP 5.3 calls for the ISO to decrement the Scheduling Coordinator's scheduled Generation to accommodate the output of RMR units as part of the real time Intra-Zonal Congestion Management process. RMR units should not be utilized for Intra-Zonal Congestion. Market based mechanisms should be utilized to solve the Intra-Zonal problems – not units whose price signals never get sent to the market. This provision should be rejected, or at the very least, the ISO should clarify that it will utilize all market-based bids prior to accommodating upon RMR units. ECI</i>	<i>ECI compliance filing protest at 28.</i>	
626.	<i>SP 7.4.4 provides that the ISO will adjust total transfer of Inter-Zonal Interfaces for firm Existing Rights and firm Non-Converted Rights. This provision runs counter to the contractual provisions for a majority of the holders of Existing Contracts, inasmuch as such right holders can schedule up to 20 minutes before the operating hour, the ISO's market is two hours prior to the beginning of the operating hour. ECI</i>	<i>ECI compliance filing protest at 29</i>	

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627.	<i>SP 9.1: Subsection (g) prohibits a specific resource from both bidding and self-providing a specific Ancillary Service in the same Settlement Period. This is an undue constraint on the marketplace and is another example of the ISO's software dictating the structure of the market, rather than the reverse. The ISO should amend this provision to allow a specific resource to both bid and self-provide a specific Ancillary Service in the same Settlement Period and to make any appropriate software changes. ECI</i>	<i>ECI compliance filing protest at 29.</i>	
628.	<i>SP 9.2(b) : The subsection provides for a Scheduling Coordinator to specify different reserve prices and different Energy prices for each Ancillary Service it bids, and to bid the same resource capacity into any one or all of the Ancillary Service markets it desires. In reality, although market participants' desire for such differentiated bids is there, the ISO software is not. As with Section SP 9.1 above, the inability of market participants to engage in such transactions in accordance with this provision results in an undue constraint on the marketplace and is another example of the ISO's software dictating the structure of the market, rather than the reverse. ECI</i>	<i>ECI compliance filing protest at 29-30.</i>	
629.	<i>SP 11.2 details how sources of Imbalance Energy will be arranged in a merit order stack. For the reasons discussed in Section DP 8.6.3(e), information regarding the price of the stack should not be included in data provided to ISO dispatchers. ECI</i>	<i>ECI compliance filing protest at 30.</i>	
630.	<i>SP 11.3: Subsection (f) calls for the use of the merit order stack Energy to manage Intra-Zonal Congestion in real time after use of available Adjustment Bids. The use of Adjustment Bids from Day-Ahead and Hour-Ahead is inappropriate in the real-time because the Adjustment Bids were created using decision criteria that assigned specific operating parameters. Because these parameters <u>do not</u> carry over or hold true for the real-time operations of the market, this provision should be rejected. ECI</i>	<i>ECI compliance filing protest at 30.</i>	
631.	<i>The ISO should observe the market, not police it. Market tampering should not be permitted. The ISO's role in market monitoring should be limited to data collection and monitoring only. Specific corrective actions should be limited to identifying specific areas where changes to the rules and tariffs are needed and making recommendations to the market participants with respect to proposed changes. Any fines or service suspensions should be left to FERC. ECI</i>	<i>ECI compliance filing protest at 30-34.</i>	
632.	<i>Section 4.5.1 of the ISO Market Monitoring and Information Protocol provides that the Market Surveillance Unit, rather than relying primarily on data that are publicly available and gathered in the normal course of business in carrying out its monitoring responsibilities, "may request the submission of any information or data determined by the Market Surveillance Unit to be potentially relevant by ISO participants, the PX or other entities whose activities may affect the operation of the ISO market." The language of this provision must be refined, at a minimum, to make clear that any information sought from a market participant must be reasonably related to a specified event identified by the Market Surveillance Unit in its information request, and that, in advancing such request, the Market Surveillance Unit will abide by a policy of requesting only that information as it deems <u>essential</u> to its investigation of that event. ECI</i>	<i>ECI compliance filing protest at 35-36.</i>	
633.	<i>Section 2 of the ISO Market Monitoring and Information Protocol sets forth the practices subject to the scrutiny of the ISO. Rather than including only abusive market behavior, the practices listed include overly broad procedures, which could result in the exercise of abuse and harassment by the ISO for normal market behavior. In order to protect market participants from such behavior, the Commission should direct the ISO to modify its ISO Market Monitoring and Information Protocol to limit the behavior subject to scrutiny by the ISO to only abusive market behavior. In this way, the ISO will be limited to monitoring behavior involving an abuse of market power. ECI</i>	<i>ECI compliance filing protest at 37-39.</i>	
<b>ISSUES ON REHEARING</b>			

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634.	<p><i>Tariff Amendment No. 7: The ISO's "temporary rule" to impose a price cap for imbalance energy bids evaluated by the ISO's BEEP software cannot be used to bar generators from bidding above the price cap to supply imbalance energy</i></p> <p><i>HIPG Rehearing</i></p>	<p><i>HIPG 5/1/98 filing in Docket Nos. EC96-19-023 and ER96-1663-024; Reh'g request filed 6/29/98; also 8/17/98 filing in ER98-3760</i></p>	<p><i>Commission accepts the temporary rule modification with the clarification recommended by PG&amp;E the ISO should clarify that the effect of the proposal will not be to prevent a unit that is actually called upon from receiving a price at least equal to its bid price for that time period for any deliveries it actually makes. The software price cap only affects the ISO's computer software; it does not establish a sales price cap for any seller providing jurisdictional services to the ISO. 83 FERC ¶ 61,209 at 61,923</i></p>
635.	<p><i>The ISO cannot control or give operational instructions to generation located outside of the ISO Control Area except in accordance with specific prior agreement or in conformance with the terms of purchased services. Sections 2.3.1.2.2, 2.3.1.3.1, 5.1.1, and 5.6.1 should be revised to reflect this.</i></p> <p><i>BPA Rehearing</i></p>	<p><i>BPA Request for Reh'g or, in the alternative, Clarification dated November 26, 1997 in Docket Nos. EC96-19-001 et al.</i></p>	<p><i>October 30 Order 81 FERC ¶ 61,122 at 61,513-14</i></p>
636.	<p><i>The ISO does not have authority to sanction Bonneville for or otherwise attempt to control its marketing practices or perceived market power</i></p> <p><i>BPA Rehearing</i></p>	<p><i>BPA Request for Reh'g or, in the alternative, Clarification dated 11/26/97 in Docket Nos. EC96-19-001 et al.</i></p>	<p><i>October 30 Order 81 FERC ¶ 61,122 at 61,550, 61,552, and 61,553-4</i></p>
637.	<p><i>The Usage Charge component of the ISO Tariff's transmission pricing proposal is inconsistent with extant Commission policy prohibiting "and" pricing.</i></p> <p><i>CCSF Rehearing</i></p>	<p><i>CCSF Request for Reh'g dated 12/1/97 in Docket Nos. EC96-19-001, etc. Commission order on Reh'g 82 FERC ¶ 61,223 (March 4, 1998)</i></p>	<p><i>The Commission found that the ISO's Tariff's Usage Charge meets the requirements of the Commission's Transmission Pricing Proposal. 81 FERC ¶ 61,122 at 61,483 (October 30, 1997)</i></p>
638.	<p><i>Edison: All parties who contribute to Overgeneration conditions should bear the responsibility of alleviating the problem.</i></p> <p><i>Edison Rehearing</i></p>	<p><i>Limited Request for Reh'g of PG&amp;E, SDG&amp;E, and Edison. (Filed 12/1/97 in EC96-19-005 and ER96-1663-006).</i></p>	<p><i>FERC adopts each Scheduling Coordinator buries it own dead approach. 81 FERC at 61,525-26.</i></p>
639.	<p><i>Edison: ISO Tariff § 5.2.7.1 &amp; 5.2.7.2 requires burdensome posting of financial security, causing Companies to bear unnecessary costs. Issue is expected to be resolved through must-run settlement process; if it is, this will no longer be an issue that merits further action.</i></p> <p><i>Edison Rehearing</i></p>	<p><i>Request For Reh'g of Edison, PG&amp;E, and SDG&amp;E (Filed 1/16/98 in EC96-19-0013 and ER96-1663-014).</i></p>	<p><i>FERC did not comment on issue, which was raised in response to amendments to the ISO Tariff filed in October, 1997. See 81 FERC ¶ 61,320 (1997).</i></p>
640.	<p><i>Curtailment priority for reliability Must-Run Generation should not override Existing Contracts</i></p> <p><i>Turlock Rehearing</i></p>	<p><i>Turlock 5/1/98 Comments in Docket Nos. EC96-19-023 and ER96-1663-024 at 3-6; Turlock sought reh'g or clarification on 6/29 in Docket Nos. EC96-19-030 and ER96-1663-031</i></p>	<p><i>The Commission accepted Amendment No. 7 subject to further orders, but directed the ISO to work with the affected parties with Existing contracts to continue to resolve the details of the curtailment issue. 83 FERC ¶ 61,209</i></p>

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641.	<p><i>Curtailment priority for Reliability Must-Run Generation may contribute to Overgeneration conditions and may breach the "bury your own dead" rule, if not the ISO should clarify and explain why not</i></p> <p><i>Turlock Rehearing</i></p>	<p><i>Turlock 5/1/98 Comments in Docket Nos. EC96-19-023 and ER96-1663-024 at 6; Turlock sought reh'g or clarification on 6/29</i></p>	<p><i>The Commission accepted Amendment No. 7 subject to further orders, but directed the ISO to work with the affected parties with Existing contracts to continue to resolve the details of the curtailment issue. 83 FERC ¶ 61,209</i></p>
642.	<p><i>Curtailment priority for Reliability Must Run Generation will penalize non-CPUC-jurisdictional utilities; CPUC created Reliability Must-Run concept and non-jurisdictional utilities should not suffer detrimental curtailments as a result.</i></p> <p><i>Turlock Rehearing</i></p>	<p><i>Turlock 5/1/98 Comments in Docket Nos. EC96-19-023 and ER96-1663-024 at 6-7; Turlock sought reh'g or clarification on 6/29</i></p>	<p><i>The Commission accepted Amendment No. 7 subject to further orders, but directed the ISO to work with the affected parties with Existing contracts to continue to resolve the details of the curtailment issue. 83 FERC ¶ 61,209</i></p>
643.	<p><i>Section 2.4.4.5.1.6 of the ISO Tariff inappropriately allows for appropriation of transmission capacity without payment of compensation. This is inconsistent with preservation of within-the-hour scheduling flexibility and could impair the interests of non-PTOs or Entitlements of Existing Rightsholders that were financed with tax-exempt bonds.</i></p> <p><i>TANC Rehearing</i></p>		
644.	<p><i>Section 2.4.4.1.1 of the ISO Tariff improperly provides for default to the PTOs operating instructions to the ISO for an Existing Contract when those instructions are disputed by the party or parties to the Existing Contract.</i></p> <p><i>TANC Rehearing</i></p>		
645.	<p><i>The ISO Tariff contains an inconsistency between the computation of the Wheeling Access Charge and the disbursement of Wheeling Revenues.</i></p> <p><i>TANC Rehearing</i></p>		
646.	<p><i>The authority granted the ISO under its Tariff to control facilities of a UDC or MSS is excessive and inconsistent with the terms and conditions of Existing Contracts.</i></p> <p><i>TANC Rehearing</i></p>		
647.	<p><i>Section 2.3.1.2.1 of the ISO Tariff should be amended to limit the authority of the ISO to impose its operating orders on all Market Participants where such orders are in direct conflict with the operating procedures of a UDC or the terms and conditions of an Existing Contract.</i></p> <p><i>TANC Rehearing</i></p>		
648.	<p><i>There is no warrant in law or contract for according Must-Run Generation priority higher than or equal to the priority of others under Existing Contracts.</i></p> <p><i>TANC Rehearing</i></p>		

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649.	<i>Existing Contracts would be abrogated if the ISO could excuse failure to perform on the grounds that a Scheduling Coordinator failed to submit a schedule in proper form.</i>  <i>TANC Rehearing</i>		
650.	<i>FERC should require the ISO to provide Market Participants the ability to trade through more than one Scheduling Coordinator.</i>  <i>ECI Rehearing</i>		<i>October 30 Order recognized that, "for many Market Participants, the ability to trade through more than one Scheduling Coordinator is an essential feature that will enable them to efficiently procure and utilize various resources." Slip op. p. 153.</i>
651.	<i>Market Participants should be able to bid from portfolios, consistent with FERC's directive on Metered Subsystems.</i>  <i>ECI Rehearing</i>		<i>Issue not addressed in Order.</i>
652.	<i>Market Participants should be required, at a minimum, to designate different people to serve on the Boards of the ISO and PX.</i>  <i>ECI Rehearing</i>		<i>October 30 Order</i>
653.	<i>The ISO should increase the size of the Generating Units that must meet the requirements of Section 5.1.4 of the ISO Tariff to install and maintain equipment necessary to provide communications, telemetry and direct control by the ISO.</i>  <i>Metropolitan Rehearing</i>	<i>Metropolitan's Request for Rehearing or Clarification, Docket Nos. EC96-19-001, et al., at 16-18, filed December 1, 1997 ("Metropolitan 12/1 Rehearing Request")</i>	
654.	<i>Section 5.7.3 of the ISO Tariff should specifically provide for compensation to Parties providing Critical Protective Systems.</i>  <i>Metropolitan Rehearing</i>	<i>Metropolitan 12/1 Rehearing Request at 18-20.</i>	
655.	<i>The ISO Tariff should be clarified to ensure that Unaccounted for Energy responsibility will be assigned to retail End-users to avoid improper cost shifting.</i>  <i>Metropolitan Rehearing</i>	<i>Metropolitan 12/1 Rehearing Request at 20-22.</i>	
656.	<i>The ISO priority for Reliability Must-Run Generation is improper as it violates the Commission October 30 Order (upholding Existing Contracts), the March 27 Order (rejecting Amendment No. 3), Order No. 888, and the CPUC Policy Decision. It is anticompetitive and inconsistent with the problem alleged by the ISO as justification. The priority extends to all hours, not just hours the RMR unit will be called on under contract.</i>  <i>Metropolitan Rehearing</i>	<i>Metropolitan's Rehearing Docket Nos. EC96-19-023, et al., at 6-19, filed June 29, 1998. ("Metropolitan Amendment No. 7 Rehearing Request")</i>	
657.	<i>Linkages in SP 7.2.2 and SP 7.2.3 to the schedules of Existing Contracts, but not to other schedules, is arbitrary and discriminatory.</i>  <i>Metropolitan Rehearing</i>	<i>Metropolitan Amendment No. 7 Rehearing Request at 20.</i>	

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658.	<i>Terms External Export, Inter-Scheduling Coordinator (SC) Trade Export, External Import and Inter-Scheduling Coordinator Trade Import must be defined and used consistently in SP 7.2.3 and SBP 4.6.</i>  <i>Metropolitan Rehearing</i>	<i>Metropolitan Amendment No. 7 Rehearing Request at 21.</i>	
659.	<i>The provision in SBP 3.4, which provides that a Scheduling Coordinator error in the denomination of the reference number for an Existing Contract results in the schedule being treated as a new firm use, unreasonably exposes Existing Rightsholders to extra-contractual costs and is inconsistent with the commitment to honor Existing Contracts.</i>  <i>Metropolitan Rehearing</i>	<i>Metropolitan Amendment No. 7 Rehearing Request at 21-23.</i>	
660.	<i>The temporary rule limiting adjustment bids applicable to dispatchable loads and exports is discriminatory. No explanation was provided for the requirement of "preferred MW operating point specified for the Dispatchable Load or export."</i>  <i>Metropolitan Rehearing</i>	<i>Metropolitan Amendment No. 7 Rehearing Request at 23-25.</i>	
661.	<i>If M-S-R were to become a Participating Transmission Owner ("Participating TO"), M-S-R's share of the Mead-Adelanto Project may be turned over to the ISO's Operational Control. However, due to the provisions governing the calculation of the Access Charge in the ISO Tariff, it appears that M-S-R will receive only Wheeling revenues as compensation for its facilities which could in no way approach the annual revenue requirement for these facilities. The Access Charge methodology should be modified.</i>  <i>Cities/M-S-R Rehearing</i>	<i>Request for Rehearing and for Clarification of M-S-R and Santa Clara, Redding and Palo Alto Docket Nos. EC96-19-001, et al., at 14-17, filed December 1, 1997 ("Cities/M-S-R Rehearing 12/1/97")</i>	
662.	<i>Santa Clara and Palo Alto raised the issue of the mechanism for the establishment of a new Congestion Zones or the modification of current Congestion Zones. Santa Clara and Palo Alto both questioned the propriety of the five percent differential trigger for the establishment of new Congestion Zones and they urged that Commission approval be obtained prior to any modification to a Congestion Zone or the establishment of a new Congestion Zone.</i>  <i>Cities/M-S-R Rehearing</i>	<i>Cities/M-S-R Rehearing 12/1/97 at 17-26.</i>	
663.	<i>The ISO should not utilize unused transmission capacity of Existing Rights holders without adequate compensation.</i>  <i>Cities/M-S-R Rehearing</i>	<i>Cities/M-S-R Rehearing 12/1/97 at 29-31.</i>	
664.	<i>The protection afforded tax exempt debt should apply to debt issued after December 20, 1995.</i>  <i>Cities/M-S-R Rehearing</i>	<i>Cities/M-S-R Rehearing 12/1/97 at 31-32.</i>	
665.	<i>The definitions of Regulatory Must-Take Generation and Eligible Regulatory Must-Take Generation should be modified to ensure that all Must-Take units receive comparable treatment.</i>  <i>Cities/M-S-R Rehearing</i>	<i>Cities/M-S-R Rehearing 12/1/97 at 33-37.</i>	

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666.	<p><i>In the event of a dispute between a Participating TO and the holder of an Existing Right under an Existing Contract regarding operating instructions, the ISO should utilize the operating instructions which were in place prior to the dispute.</i></p> <p><i>Cities/M-S-R Rehearing</i></p>	<p><i>Cities/M-S-R Rehearing 12/1/97 at 38.</i></p>	
667.	<p><i>Sections 5.7.1 and 5.7.2 of the Compliance Tariff give broad discretion to the ISO to require compliance with interconnection standards which are different from or in addition to the interconnection standards reflected in Existing Contracts, such as interconnection agreements. This is an improper elevation of the authority of the ISO and should be rejected.</i></p> <p><i>Cities/M-S-R Rehearing</i></p>	<p><i>Cities/M-S-R Rehearing 12/1/97 at 38-40.</i></p>	
668.	<p><i>Section 2.3.1.2.1 of the ISO Tariff requires full and prompt compliance by all Market Participants with all ISO operating orders except where such compliance would impair public health and safety. Since "Market Participant" is an extremely broad term which includes non-Participating TOs with Existing Contracts, this provision improperly grants the ISO broad authority over entities which are not a part of the ISO.</i></p> <p><i>Cities/M-S-R Rehearing</i></p>	<p><i>Cities/M-S-R Rehearing 12/1/97 at 40.</i></p>	

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669.	<p><i>Section 5.1.4 of the Compliance Tariff provides that, except in Emergencies, Generators which are 10 MW or smaller and sell all output to a UDC or a customer located on a UDC system shall be exempt from the provisions of Section 5 of the ISO Tariff. This exemption should be increased to 50 MW units and to those that have received siting approval by the California Energy Commission.</i></p>	<p><i>Cities/M-S-R Rehearing 12/1/97 at 40-41.</i></p>	
670.	<p><i>The Commission erred in accepting Part A of Amendment No. 7 to the ISO Tariff related to the priority of RMR generation.</i></p>	<p><i>Request for Rehearing of M-S-R and Santa Clara and Redding, Docket Nos. EC96-19-023, et al., at 7-20, filed June 29, 1998 ("Cities/M-S-R Rehearing 6/29/98").</i></p>	
671.	<p><i>The ISO's rules currently permit customers to take service from multiple SCs. The ISO amended § 2.1.1 of the Tariff to comply with this directive in the 7/15/98 Clarification filing.</i></p> <p><i>The outstanding issue is whether to possibly permit multiple SCs per a single meter. The ISO's software does not provide for this function, and it may be impossibly complex to track all possible market arrangements and allocation schemes for multiple SCs at a single meter.</i></p>	<p><i>ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 3-5</i></p>	<p><i>Directs the ISO to inform the Commission on the status of software development to facilitate this function and to coordinate efforts with all interested SCs in the development of rules for allocating trades through a single meter. October 30 Order, 81 FERC ¶ 61,122 at 61,509</i></p>
672.	<p><i>Although bidders may submit Adjustment Bids and Supplemental Energy bids for the same resource, Adjustment Bids are not converted into Supplemental Energy bids because they serve two distinct purposes - Congestion Management ("CM") and Imbalance Energy, respectively. Adjustment Bids left standing at the end of the CM process for Day-Ahead and Hour-Ahead scheduling are treated as standing offers to be used for real-time CM. Supplemental Energy bids are one of the tools by which the ISO manages imbalances in real-time.</i></p>	<p><i>ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 5-6</i></p>	<p><i>Commission directed the ISO to revise the ISO Tariff to explicitly state the process by which Adjustment Bids left standing at the close of the Hour-Ahead Market become Supplemental Energy bids in the balancing market. October 30 Order, 81 FERC ¶ 61,122 at 61,480</i></p>
	<p><i>ISO Rehearing</i></p>		

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673.	<p>The ISO does not mitigate constraints between Active and Inactive Zones as part of the Inter-Zonal CM process. The tariff provides pursuant to section 7.2.7.3.3 and 7.2.7.3.5 how costs are allocated and when a new or inactive zone should be created or become active.</p> <p>If Congestion appears at an interface with an Inactive Zone, the ISO intends to convert it into an Active Zone and classify the transmission path as an Inter-Zonal interface.</p>	<p>ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 6-8</p>	<p>Commission directed the ISO to amend the ISO Tariff to specify how costs for resolving Inter-Zonal Congestion between Active and Inactive Zones will be calculated and when this process will take place relative to Inter-Zonal CM between Active Zones. It also directed that info on the amount of Inter-Zonal Congestion between Active and Inactive Zones be posted on WENet.</p> <p>October 30 Order, 81 FERC ¶ 61,122 at 61,479 and 61,484-5.</p>
674.	<p>The ISO notes that some of the information which the Commission requires to be posted will be unavailable until necessary software is in place.</p>	<p>ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 6-8</p>	<p>Commission directed the ISO to announce additional information about Advisory Dispatch, consistent with the Day-Ahead information identified in § 6.1.2.2.2 of the Tariff, to be posted on WENet. October 30 Order, 81 FERC ¶ 61,122 at 61,479 and 61,484-5.</p>
675.	<p>Full grandfathering of all End-Use Meters of ISO Metered Entities could adversely affect the ability of the ISO to ensure system reliability. The ISO proposes an approach whereby it would assess the End-Use Meters and associated facilities of ISO Metered Entities on a case-by-case basis, requiring only certain of them to adhere to ISO metering and communication standards.</p>	<p>ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 8-10</p>	<p>Commission directed the ISO to amend the ISO Tariff, consistent with language suggested by PG&amp;E, to grandfather End-Use Meters of ISO Metered Entities and SC Metered Entities.</p> <p>October 30 Order, 81 FERC ¶ 61,122 at 61,516</p>
676.	<p>The limitations provided in §§ 14.1 and 14.2 of the ISO Tariff are appropriate under longstanding California utility law and historical FERC treatment of consequential damages.</p>	<p>ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 10-16</p>	<p>Commission directed the ISO to modify §§ 14.1 and 14.2 of the ISO Tariff to remove any limitations on the ISO's liability in cases of negligence or intentional wrongdoing and any limitations on consequential damages. October 30 Order, 81 FERC ¶ 61,122 at 61,520</p>
677.	<p>The MSS definition included in the 3/31/97 ISO Tariff was intended to be a vehicle to respect existing operational capabilities for Existing Rightholders with appropriately metered subsystems so that they could bid Ancillary Services on a portfolio basis - the ISO never intended that new MSS should be created merely by allowing operators or SCs to acquire the physical assets or associated contract rights. The ISO requested clarification that it could limit MSS status to those with Existing Operator Agreements.</p>	<p>ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 27-31</p>	<p>Commission directs the ISO to consider how a SC will qualify as a MSS operator. October 30 Order, 81 FERC ¶ 61,122 at 61,496-97</p>
	ISO Rehearing		