

UNITED STATES OF AMERICA 89 FERC ¶ 61,048
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: James J. Hoecker, Chairman;
Vicky A. Bailey, William L. Massey,
Linda Breathitt, and Curt Hébert, Jr.

California Independent System
Operator Corporation

Docket No. ER99-3301-001

ORDER ACCEPTING COMPLIANCE FILING WITH MODIFICATION

(Issued October 15, 1999)

In this order, we accept a compliance filing, with modification, submitted by California Independent System Operator Corporation (California ISO or ISO) pursuant to the Commission's order issued in this proceeding on July 30, 1999, California Independent System Operator Corporation, 88 FERC ¶ 61,146 (1999) (July 30 Order).

Background

In the July 30 Order, the Commission accepted the California ISO's amendment to its tariff modifying certain market rules for managing intra-zonal congestion in real time, with certain modifications, and directed the California ISO to submit a compliance filing within 14 days of the issuance of the July 30 Order. The Commission required the California ISO to incorporate in its tariff procedures for informing market participants whether imbalance energy bids are being used to manage intra-zonal congestion or to maintain system balance. The California ISO also agreed to change the term Supplemental Energy Bids to Imbalance Energy Bids in section 7.3.2 of the ISO tariff to more accurately reflect the substance of that section. The California ISO agreed to make this change in the compliance filing ordered in the July 30 Order.

Compliance Filing

On compliance, California ISO explains that there is no need to revise its tariff to provide for informing participants as to the use of their bids, since the ISO's operating procedures already provide for this information to be available. Under existing tariff provisions and ISO operating procedures, the ISO already informs scheduling

coordinators whether imbalance energy bids are being used for intra-zonal congestion management. The ISO operating procedure M-401 requires ISO operations personnel to log the bids called for intra-zonal congestion management in real time. The California ISO indicates that its operating procedures provide for the ISO generation dispatcher to contact individual scheduling coordinators and instructs them to modify the output of resources called upon by the ISO for intra-zonal congestion management in a specific amount (MW) at a specific bid price. The ISO operating procedures also specify certain information to be recorded for any variations from the merit order. This information identifies the scheduling coordinator whose bid is taken out-of-sequence, the reason for the variation (*i.e.*, management of intra-zonal congestion), the time and MW amount of the variation and the bid price. The ISO indicates that the above procedures are also reflected in the dispatch instructions in the ISO tariff.

Notice and Interventions

Notice of the California ISO's compliance filing was published in the Federal Register, 64 Fed. Reg. 46,373 (1999), with comments, protests and motions to intervene due on or before September 2, 1999. Southern Energy California, L.L.C., Southern Energy Potrero, L.L.C., and Southern Energy Delta, L.L.C. (collectively, Southern) jointly filed a timely motion to intervene raising no substantive issues.

Reliant Energy Power Generation, Inc. (Reliant) filed a protest claiming that the California ISO's filing does not comply with the Commission's order because it fails to modify the ISO tariff to provide notification of market participants. Reliant disagrees with the California ISO's claim that modification of its ISO tariff is unnecessary because its ISO operating procedures contain the requisite information. Reliant states that the ISO operating procedures referred to by the California ISO have not been filed with the Commission and therefore cannot substitute for modifications to the ISO tariff.

Discussion

Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,¹ the timely, unopposed motion to intervene of Southern serves to make Southern a party to this proceeding.

¹See 18 C.F.R. § 385.214 (1999).

While the California ISO's compliance filing adequately clarifies the procedures the ISO follows to notify customers of the uses of their energy imbalance bids, it fails to include these procedures in the ISO tariff and instead references information contained in the ISO operating procedures. The Commission stated in the July 30 Order that participants should be informed whether their imbalance energy bids are being used to manage intra-zonal congestion or maintain system balance because the California ISO does not pay the same price for these two different uses of the same bids and directed that the California ISO modify the ISO tariff accordingly. Therefore, we will direct the California ISO to modify its tariff to include the operating procedures described in its compliance filing, which is consistent with the modification directed in the July 30 Order. Accordingly, we will accept California ISO's compliance filing, subject to the modifications required herein, effective June 20, 1999.

The Commission orders:

(A) The California ISO's compliance filing is hereby accepted, subject to the modifications required herein, effective June 20, 1999.

(B) The California ISO is hereby informed of the attached rate schedule designations.

By the Commission.

(S E A L)

David P. Boergers,
Secretary.

California Independent System Operator Corporation
Docket No. ER99-3301-001
Rate Schedule Designations

<u>Designation</u>	<u>Description</u>
(1) Third Revised Sheet No. 183 under FERC Electric Tariff, Original Volume No. 1 (Supersedes Second Revised Sheet No. 183)	Revised Section 7.3.2 of ISO transmission Tariff