

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

California Independent System Operator  
Corporation  
Docket Nos. ER11-3510-000  
and ER11-3510-001  
**May 27, 2011**

California Independent System Operator  
Corporation  
250 Outcropping Way  
Folsom, CA 95630

Attention: Sidney Davies, Esquire  
Assistant General Counsel for California Independent  
System Operator Corporation

Reference: Tariff Provisions Relating to the Provision of Regulation Service

Dear Ms. Davies:

On May 3, 2011, as amended on May 4, 2011,<sup>1</sup> the California Independent System Operator Corporation (CAISO) submitted for filing, proposed tariff revisions that clarify the provision of regulation services. Specifically, the tariff revisions clarify that a Scheduling Coordinator that seeks to self-provide regulation services must submit an energy self-schedule at a level that would permit the generating unit to move either up or down depending on the type of regulation service that it intends to provide. CAISO states that these tariff revisions are necessary to prevent market performance problems that have occurred in CAISO's day-ahead market. CAISO states that these problems were caused by the submission of economic bids rather than self-schedules with submissions to self-provide regulation service by one market participant. CAISO also states that it is also proposing tariff language that clarifies that bids for regulation service, as opposed to submissions to self-provide regulation, must be accompanied by either an energy supply bid or an energy self-schedule at the appropriate level depending on whether the bid is for regulation up or regulation down. Waiver of the Commission's notice requirements pursuant to section 35.11 of the Commission's rules and regulations

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<sup>1</sup>CAISO submitted, in Docket No. ER11-3510-001, an errata to correct an erroneous sentence in the original transmittal letter.

(18 C.F.R. § 35.11) is granted, and the proposed tariff revisions are accepted for filing effective May 24, 2011, as requested.

This filing, as amended, was noticed on May 4, 2011, with comments, protests, or motions to intervene due on or before May 24, 2011, and May 25, 2011, respectively. No protests or adverse comments were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against California Independent System Operator Corporation.

This action is taken pursuant to authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Steve P. Rodgers, Director  
Division of Electric Power  
Regulation – West