UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System	)	**Docket Nos. ER06-615-___**
Operator Corporation	)	**ER02-1656-___**

MOTION FOR MODIFICATION OF COMPLIANCE OBLIGATION

The California Independent System Operator Corporation respectfully submits this motion for modification of one of the compliance obligations[1] stemming from the Commission's September 21, 2006, "Order Conditionally Accepting the California Independent System Operator's Electric Tariff Filing To Reflect Market Redesign and Technology Upgrade," which was issued in the above-referenced dockets.[2] Specifically, the ISO requests that the Commission relieve the ISO from the obligation to implement an interface between the ISO's scheduling and logging system, referred to as "SLIC" and the scheduling infrastructure business rules system, referred to as "SIBR".[3] The ISO submits that implementation of an interface between these two systems is not an appropriate investment of ISO resources due to the following reasons. First, although the ISO will continue to use SLIC to log operator actions, the ISO will soon no longer use SLIC to manage generation outages. The ISO will replace SLIC with a new outage management and reporting system, known as "OMS," that will manage both generation and

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[1] The CAISO submits this filing pursuant to Rules 212 and 2008(a) of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.2008(a) (2011).

[2] *Cal. Indep. Sys. Operator Corp.*, 116 FERC ¶ 61,274 (2006) ("September 21 Order").

[3] *Id.* at P 244.

transmission outages. Second, implementation of the interface with SLIC, or an

interface with OMS, would require major modification of the SIBR infrastructure to

allow it to accept more frequent data changes; this infrastructure modification could

drastically and adversely impact SIBR performance. Third, all market participants

that submitted comments to the ISO have acknowledged that they have access to

the outage information necessary to inform their bidding practices and that,

therefore, neither a SLIC-to-SIBR interface nor an OMS-to-SIBR interface is

necessary.[4] Fourth, the design and performance changes associated with

implementing an interface would divert resources from other, higher-priority

initiatives. Fifth, although a SLIC-to-SIBR interface or an OMS-to-SIBR interface

would make either SIBR or OMS more "intelligent," the existing market software

already recognizes outages in SLIC (and will recognize outages in OMS) and takes

derated capacity into consideration when issuing market awards. Finally, if either a

SLIC-SIBR interface or an OMS-SIBR interface were to be implemented, it could

actually hinder a market participant in cases in which SIBR has rejected a bid due to

an outage or derate recorded in either SLIC or OMS. If the outage or derate were

cancelled after SIBR closes the market (75 minutes before operating hour), the

market participant would have no way of signaling to the market that it is available

and could suffer financially because of a loss of business opportunity.

I.   **Background**

        On February 9, 2006, following an extensive stakeholder process and

numerous preliminary ISO filings and Commission orders, which are described in

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[4]   As discussed below, one market participant indicated that it did not need the SLIC to SIBR
interface, but offered the opinion that smaller market participants would benefit from an interface.

the September 21 Order, the ISO submitted proposed tariff provisions to implement

its new market design, then known as the Market Redesign and Technology

Upgrade or MRTU project.[5] In the September 21 Order, the Commission

conditionally accepted the tariff revisions for filing, subject to further modification.

The substantial September 21 Order addressed myriad issues and imposed

numerous compliance obligations, some of which were to be implemented after the

effective date of the new market design, including several compliance requirements

to be implemented within three years of the effective date of the new market design

through what the ISO referred to as "Release 2."

One of those obligations involved implementation of an interface between

SLIC and SIBR that would communicate generation outage information from SLIC

to SIBR. In response to the MRTU tariff filing, one intervenor had pointed out that

the new software did not provide for any type of automated communication between

SLIC, a web-enabled interface for generation owners to submit outage information

to the ISO, and SIBR, which accepts, validates, and then passes valid bids to the

market applications. The intervenor had contended that, absent any type of

automated interface between these two systems and absent manual intervention,

SIBR could create bids over a generating unit's entire operating range even in those

circumstances where the scheduling coordinator has submitted a SLIC derate.[6]

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[5]   The voluminous filing comprised almost 8,000 pages, including a 100-page transmittal letter summarizing proposed MRTU tariff provisions; two volumes of the proposed tariff language; and two volumes of expert testimony and a report by LECG, Inc.

[6]   September 21 Order at P 240 (comment of Western Trading Power Forum/Independent Energy Producers).

The ISO had responded that the initial "Release 1" design software did not include this functionality and that SLIC derate recognition by SIBR was a proposed Release 2 design feature. The ISO had also noted that SLIC did interact with the day-ahead market and real-time market and that, even if SIBR passed on bids that do not reflect a derate, the ISO's market applications would recognize the SLIC derate and would only issue an award up to the capacity that the resource is capable of supplying as reflected in SLIC.[7]

Consistent with the ISO's representation that the enhancement was already identified in Release 2, the Commission directed the ISO to implement an interface between SLIC and SIBR as of the earlier of Release 2 or the time that SLIC derates became recognized by SIBR and SLIC interacted with the ISO market applications.[8] The ISO implemented Release 1 on April 1, 2009, and is therefore in the process of developing and implementing the market initiatives to comply with the Commission's Release 2 mandates consistent with the schedule set forth in the September 21 Order.[9]

II.   Request for Modification of Compliance Obligation

The ISO has had the opportunity, based on nearly three years of operation under the new market design to reconsider the value of the SLIC to SIBR interface. Based on this evaluation, the ISO believes that the costs of implementing an

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[7]   *Id.* at P 242.

[8]   *Id.* at P 244.

[9]   For example, on November 16, 2011, the ISO filed a tariff amendment to, among other things, utilize bid-in demand in the automated local market power mitigation process in response to Paragraph 1089 of the September 21 Order. The November 16, 2011 tariff amendment is pending in docket no. ER12-423.

interface between SLIC and SIBR (or SLIC and OMS) far outweigh any benefits to market participants.

OMS will displace SLIC as a generation outage reporting tool and replace the current transmission outage reporting too. The ISO has implemented the initial phase of OMS and expects OMS to replace SLIC for generation outage reporting purposes completely by the latter part of 2013. Any benefits of an interface between SLIC and SIBR would, therefore, be extremely short lived.[10]

The benefits of such an interface would also be insignificant. Market participants already have access to generator outage information to inform their bidding practices. Until the markets close (e.g. until 10:00 AM for the day-ahead market and 75 minutes before operating hour for real-time markets), scheduling coordinators can resubmit their bids to address planned outages and known outage information. If a forced outage occurs in real-time, the affected market is likely already closed (75 minutes before the operating hour), and there is no opportunity to resubmit bids. Having generator outage information in SIBR would not alter the fact that the market would be closed and that there would be no opportunity for a revised bid submission.[11]

In addition, the existing market applications take outage information into account and optimize and award resources accordingly. Because the generator outage information is in the market applications, the ISO's schedules and dispatches are consistent with the resources derated capacity for the duration of the generation outage or derate whether the duration is for the entire hour or for

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[10]   Declaration of Khaled Abdul-Rahman, attached hereto as Exhibit 1, at ¶¶ 8-9.

[11]   *Id.* at ¶ 11.

portions of the operating hour. Also, handling the outages in the market applications allows ISO to accurately handle possible generation outages with durations that are partially in one hour and partially in the next hour.[12]

On the other side of the ledger, including the outage information in SIBR would actually hinder the ability of a scheduling coordinator to participate in the ISO's markets in certain circumstances. If generator outage information were visible in SIBR (through an interface), SIBR would reject bids, or portions of bids, corresponding to any derated capacity or capacity affected by an outage. If the outage or derate (and the corresponding record) were canceled after the close of the ISO's real-time market (75 minutes before the operating hour), then the market participant would have no way of signaling to the market that its resource is available for dispatch.[13]

Another drawback is that the costs of implementing an interface between SLIC (or OMS) and SIBR are significant. For either interface, the outage data would need to be mapped to SIBR. The smallest time granularity level that SIBR can deal with is hourly. This means that SIBR does not account for data extending for less than an hour. In contrast, outage management and reporting systems accept any start and end time. If the interface were to be implemented, then all outage data would have to be mapped to start and end on hourly boundaries to be consistent with the SIBR hourly bids. This mapping is not operationally practical: It would result in extended periods of time where the resource would actually be

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12   *Id.* at ¶ 12.

13   *Id.* at ¶ 13.

available but, because the resource was out-of-service for part of an hour, there would be no market bid for it for that hour.[14]

In addition, implementing the interface would potentially have a drastic negative effect on SIBR performance. SIBR is a transactional system that subjects the bids to a sequence of verification and validations based on defined business rules. When the market is closed another set of last validation rules are triggered before creating the clean bid set. The amount of outage data and the more frequent changes in the outage information that would result from the interface would make it difficult to hold this data in a SIBR cache (the typical method for SIBR to hold data that may change before the market closes). Every change would trigger a great number of validation rules. In order to properly handle the outage information (generation outage/derate/rerate), approximately 500 generator processing and validation business rules would have to be revisited and revised. In the case of multiple commodity bids (energy and ancillary services), there is no clean way to automatically adjust or curtail the bids if the unit is de-rated or re-rated. The ISO would need to reject the bids. This part of the validation rules is the most time consuming aspect of SIBR processing and increasing this processing to include generator outage information would create a setback in SIBR performance. All bids would suffer delay due to increased processing time. Even if the processing rejects the bid, there would be no opportunity to resubmit bids because this processing is done after the market closes. The ISO has worked hard over the last two years to enhance the performance of SIBR to deal with both physical and virtual bids. The

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14   *Id.* at ¶ 14.

inclusion of outage information would be a backward step in terms of performance.[15]

As with any enhancement, implementation would also require extensive testing and market simulation.[16] This is not usually an issue if there are outweighing benefits in terms of improved market design or enhanced market participant experience with ISO system. In the case of generator outage information in SIBR, however, the benefits are extremely limited compared to the cost of implementation. As discussed, market participants have access to outage data and can adjust their bids accordingly. At most, a SLIC/SIBR or OMS/SIBR interface might provide a very minor convenience for some market participants. It is not necessary, however, and would be costly and also have adverse consequences.

Based on this evaluation, the ISO decided to seek stakeholder input on the value of moving forward with the SLIC/SIBR interface. On May 12, 2011, the ISO issued a market notice inviting stakeholder comment[17]. The comments are attached as Exhibit 3. Four of five substantive commenters saw no need for implementing the interface in light of the cost, other priorities, and the fact that outage information is available.[18]

The fifth commenter, NCPA, explained that although NCPA itself had learned how to retrieve outage information to inform its bidding, smaller scheduling coordinators that do not take advantage of outage information might benefit from a

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[15]   *Id.* at ¶ 15.

[16]   *Id.* at ¶ 16.

[17]   *See,* Request for Comments on Need for SLIC to SIBR Interface, California ISO Market Notice (May 12, 2011), attached hereto as Exhibit 2.

[18]   One responsive email was nonsubstantive.

SLIC to SIBR interface. NCPA did not necessarily oppose deferral but asked

whether there were some other way to address this issue. As discussed above,

however, the ISO has concluded that the costs of the alternative means of

addressing the issue, an OMS/SLIC interface, far exceed the benefits for the same

reasons discussed with respect to a SLIC/SIBR interface, particularly considering

that all market participants have already found ways to retrieve the outage

information that is entered by them for their corresponding resources and to make

this information available to their own internal processes of bidding. In light of these

considerations, the ISO believes that implementing an interface between SLIC and

SIBR (or OMS and SLIC) would no longer be of value.

After review of the comments, the ISO presented the issue at a June 22,

2011, Market Performance and Planning Forum. The ISO indicated it would seek

deferral or elimination of the compliance obligation.[19] For the reasons discussed

above, the ISO has concluded that elimination is preferable.

If this compliance obligation were already reflected in a tariff provision, the

ISO would be able to submit a proposed tariff amendment under section 205 of the

Federal Power Act to revise the provisions in question, which would be subject to

the "just and reasonable" standard. The ISO submits that it should have no greater

burden with respect to a compliance obligation that, in this case, concerns only a

software interface that is no longer necessary or economically justified.[20] The ISO

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[19] The relevant pages of the presentation are attached hereto as Exhibit 4.

[20] The Commission on other occasions has revised or eliminated compliance obligations when
circumstances have changed. *See, e.g.*, *Midwest Indep. Transmission Sys. Operator,* 128 FERC ¶
61,046 at PP 48, 61 (2009); *Entergy Services, Inc.,* 126 FERC ¶ 61,242 at PP 6, 31 (2009); *Cal.
Indep. Sys. Operator Corp.*, 124 FERC ¶ 61,095 at PP 73, 90 (2008).

therefore requests that the Commission relieve the ISO from the obligation to implement any interface between the ISO's outage management system and SIBR system in Release 2.

III. Conclusion

For the reasons discussed above, the ISO respectfully asks that the Commission grant the requested modification of the ISO's compliance obligations under the September 21 Order.

Respectfully submitted,

	/s/ Michael E. Ward
Nancy Saracino, General Counsel	Sean A. Atkins
Sidney Davies, Assistant General Counsel	Michael E. Ward
The California Independent System	Alston & Bird LLP
Operator Corporation	The Atlantic Building
250 Outcropping Way	950 F Street, N.W.
Folsom, CA 95630	Washington, DC 20004-1404
Tel: (916) 351-4400	Tel: (202) 239-3300
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Counsel for the California Independent
System Operator Corporation

Dated: February 17, 2012

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System	)	Docket Nos.	**ER06-615-___**
Operator Corporation	)		**ER02-1656-___**

DECLARATION OF KHALED ABDUL-RAHMAN

I, Khaled Abdul-Rahman, declare as follows.

1.   I am employed as Director, Power Systems Technology Development for the California Independent System Operator Corporation ("ISO"). My business address is 250 Outcropping Way, Folsom, CA 95630.

2.   I received my Ph.D. in Power Systems in 1993 from the Illinois Institute of Technology (ITT) in Chicago, Illinois. Since then, I have worked in the electric power system industry in the U.S. focusing primarily on large-scale optimization software development and deployment of production systems. My career includes working for different energy management system, electricity market, and information technology software vendors, and various consulting companies. In July 2009, I began work for the ISO as the Principal for Power Systems Technology Architecture and Development, and in July 2010 I became the Director of the Power Systems Technology Development group at the ISO.

3.   My current responsibilities include design, implementation, testing, deployment, and analyzing results of all market applications for the CAISO's day-ahead and real-time markets. I have worked on many projects requiring deep knowledge and full understanding of ISO's market systems, including the ISO's scheduling

and logging system ("SLIC"), scheduling infrastructure business rules system ("SIBR"), and outage management system ("OMS").

4.   SLIC is a web-enabled interface for generation owners to submit outage information to the ISO.

5.   SIBR, which accepts, validates, and then passes valid bids to the market applications.

6.   OMS is a new management and reporting system that will manage both generation and transmission outages.

7.   The purpose of my testimony is to explain why the implementation of an interface between SLIC and SIBR (or between OMS and SIBR) is unnecessary and why the costs of implementing such an interface outweigh its benefits.

8.   The ISO is in the process of implementing OMS, which will replace SLIC as a generation and transmission outage reporting system. The ISO will continue to use SLIC, but only for logging operator actions.

9.   The ISO has implemented the initial phase of OMS and expects OMS to replace SLIC for generation outage reporting purposes completely by the latter part of 2013. Any benefits of an interface between SIBR and the outage data in SLIC would disappear at that time.

10.   Moreover, there is no need for such an interface, or an interface between SIBR and OMS, and the benefits of the interface would be minimal.

11.   Scheduling coordinators already have access to view and download their information on planned generator outages that they can use in deciding what bids to submit. Based on that information, scheduling coordinators can resubmit

their bids to address planned outages and other outage information anytime before the close of the relevant market (10:00 AM for the day-ahead market and 75 minutes before the operating hour for the real-time market). Any forced outage in real-time would likely occur after the real-time market closes, when it is no longer possible to resubmit bids. Including generator outage information in SIBR would not change the fact that there is no opportunity to revise a bid in response to a forced outage.

12.   In addition, the market applications already in place use outage information in optimizing schedules and in committing and dispatching resources accordingly. The ISO's schedules and dispatches are thus already consistent with any derated capacity of a resource whether the duration is for the entire hour or for portions of the operating hour. Handling the outages in the market applications allows ISO to accurately handle possible generation outages with durations that are partially in one hour and partially in the next hour and better utilize the resources when they are available.

13.   Including outage information in SIBR would actually hinder, rather than benefit the ability of a scheduling coordinator to participate in the ISO's markets. SIBR would reject bids, or portions of bids, corresponding to a resource's derated capacity or capacity affected by an outage. The scheduling coordinator would have no way of signaling to the market that its resource is available for dispatch if the outage or derate (and the corresponding record) were canceled after the close of the ISO's real-time market.

14. Further, implementing an interface would be operationally impractical. The smallest interval that SIBR works with is a trading hour. Outage management and reporting systems, in contrast, accept any start and end time. Implementing an SIBR/SLIC or SIBR/OMS would require mapping outage data to start and end on hourly boundaries. If a resource were only out-of-service for part of an hour, SIBR would nonetheless reject its market bid for that whole hour, excluding the resource from the market even for that other part of the hour that it was available.

15. Implementing the interface would also interfere with SIBR's performance. Using defined business rules, it subjects the bids to a sequence of verification and validations. A set of last validation rules are triggered after the market closes prior to the creation of the clean bid set. SIBR would have problems holding in its cache (the typical method for SIBR to hold data that may change before the market closes) the amount of outage data and the more frequent changes in the generation outage information that would result from the interface. Every change would trigger a great number of validation rules. In order to properly handle the outage information (generation outage/derate/rerate), the ISO would have to revise or revisit approximately 500 generator processing and validation business rules. In the case of multiple commodity bid (energy and ancillary services), if the unit is de-rated or re-rated, there is no clean way to adjust or curtail the bids automatically, so the ISO would need to reject the bids. This part of the validation rules is the most time consuming aspect of SIBR processing and increasing this processing to include generator outage information will create a

setback in SIBR performance. All bids would suffer delay due to increased

processing time.

16.   Implementation would also require extensive testing and market simulation.

17.   Based on these considerations, I believe that the benefits of a SIBR/SLIC or

SIBR/OMS interface would be extremely limited. The cost of implementation,

however, would be very significant, in terms of both operational efficiency and the

consumption of ISO resources.

I declare under penalty of perjury that the foregoing statements are true and correct to

the best of my knowledge, information, and belief.

                                             /s/ Khaled Abdul-Rahman
                                             Khaled Abdul-Rahman

Executed this 17th day of February, 2012.

EXHIBIT 2

Request for Comments on Need for SLIC to SIBR Interface
California ISO Market Notice - May 12, 2011

Market Notice

May 12, 2011

California ISO
Shaping a Renewed Future

Categories
Market Operations
Market Rules and Market Design

Requested Client Action
Request for Comment

Request for Comments on Need for SLIC to SIBR Interface

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Summary
The California ISO is seeking comments on the need to implement a SLIC to SIBR interface. Please submit comments to jmorris@caiso.com by May 25, 2011.

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Main Text
In September 2006, the Federal Energy Regulatory Commission (FERC) directed the California ISO to implement an interface between Scheduling and Logging for the ISO of California (SLIC) and Scheduling Infrastructure Business Rules (SIBR) by "release 2" of the new market design.

The ISO is now considering if this feature would provide sufficient benefit to the market to justify the costs of implementation, especially in light of other high priority enhancements, and is seeking stakeholder comments on the topic.

Implementing the SLIC to SIBR interface would require the following significant system changes:
- In order to properly handle in the case of a generation outage/de-rate/re-rate, around 500 generator processing and validation rules will have to be revisited and revised.
- In the case of multiple commodity bid in (energy and ancillary services) and the unit is de-rated or re-rated, there is no clean way to adjust or curtail the bids. The ISO will need to reject the bids.
- In the case that the particular generator is associated with any Existing Transmission Contracts/Transmission Ownership Rights/Converted Rights (ETC/TOR/CVR) contract, the adjustment will require following the contract and potentially the chain to all the impacted sources and sinks.
- The Outage Management System will replace SLIC in 2012
- Implementation would require extensive testing and market simulation

Benefit to market participants appears to be limited:
- Planned outages - when markets are open, scheduling coordinators can resubmit their bids based on planned outages
- Forced outages - when markets are already closed, bids cannot be requested and the outage is recognized in real time
- As noted in the September 2006 order, even if SIBR generated bids for de-rated capacity, the day-ahead and real-time markets will see de-rates entered into SLIC and bids for capacity that is not available will not result in market awards

Please submit comments on the current need to provide a SLIC to SIBR interface to jmorris@caiso.com by close of business May 25, 2011. The ISO will review comments received and publish a paper in June 2011.

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For More Information Contact
Send an email to Janet Morris at jmorris@caiso.com

The California ISO strives to be a world-class electric transmission organization built around a globally recognized and inspired team providing cost-effective and reliable service, well-balanced energy market mechanisms, and high-quality information for the benefit of our customers.

250 Outcropping Way, Folsom, CA 95630

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EA/ComPR/IPS/rq

EXHIBIT 3

Stakeholder Comments

From: Mark Myers [mailto:mark.myers@ncpa.com]
Sent: Thursday, May 12, 2011 5:06 PM
To: 'Morris, Janet'
Cc: Tony Zimmer
Subject: Sibr\Slic interface

Janet,

I appreciate the solicitation of comments on this topic. First you are right many companies have found and implemented solutions which band-aid the issue. At NCPA we have used the SLIC API to retrieve outage information and adjust our bids prior to sending to the CAISO. This implementation has a cost for each MP. Prior to our implementation, which was after the market went live, we had several situation where a bid was submitted which was not in alignment with SLIC data. This did cause us financial harm and operational issues for the day. An interface with outage information into the SIBR system would have prevented this.   So, the need for the check outage data in the DA process can be well documented. If we choose not to move forward with this item market participants who choose to only use the SIBR interface are clearly at a disadvantage as the CAISO systems will not be integrated. (is this really what a "world class" organization wants to deliver?) I appreciate the need to prioritize projects, people, and budget and when something is not whining very loud it can easily be overlooked, nevertheless; I would encourage the ISO to look at some simple SIBR rules which would at the minimum reject the bid if it is not in alignment with SLIC data or perhaps not reject the bid, but provide a warning.   I think there is an unsaid commitment to try to keep ISO market systems at some minimum level of services for the small SC who chooses to use the ISO interfaces. This also helps to manage the cost of barriers to entry of the market.   If we make the cost too high and too complex we will discourage other from the market. I think the ISO can meet the FERC directive in many ways. Let's look at the minimum requirements we would need to implement to meet the FERC requirement and keep the software in a state where the playing field is as fair as possible for those who choose to use CAISO only interfaces.

Regards,

Mark Myers
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A Public Agency
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(916) 781-4255 Fax
www.ncpa.com

Pacific Gas and Electric's Comments on Need for SLIC to SIBR Interface

Submitted by			Date Submitted
Alva Svoboda	(415) 973-4405	AJSh@pge.com	May 25, 2011

Pacific Gas & Electric (PG&E) provides these brief comments in response to the CAISO Market Notice of May 11, 2011 entitled 'Request for Comments on Need for SLIC to SIBR Interface'.

In September 2006, FERC directed the CAISO to implement an interface between Scheduling and Logging for the ISO of California (SLIC) and Scheduling Infrastructure Business Rules (SIBR) by "release 2" of the new market design. Through the Market Notice, the CAISO indicated that it is now considering if this feature would provide sufficient benefit to the market to justify the costs of implementation in light of other high priority enhancements. The CAISO stated that implementing the SLIC to SIBR interface would require the following significant system changes, and that the benefits appear limited.

PG&E does not see value at this time in developing an automated interface between SLIC and SIBR. Specifically, the potential automated SLIC to SIBR interface is not required; to the extent SIBR does generate bids for de-rated capacity, the CAISO market software correctly recognizes that SLIC de-rates and bids for capacity that is not available will not result in market awards. Vendors and market participants have by necessity developed their systems to create bids that will be accepted according to the current set of business rules in SIBR, and the proposal does not appear to reduce this burden in any way. Implementation of the proposal would be at substantial cost to both CAISO and market participants without corresponding benefits. The CAISO should seek removal of this requirement with FERC.

From: Ken Kohtz [mailto:KKOHTZ@santaclaraca.gov]
Sent: Thursday, May 26, 2011 5:57 PM
To: 'jmorris@caiso.com'
Cc: Jonathan Trimm; Steve Hance; Saul Lopez; Betty Sargent
Subject: FW: Request for Comments on Need for SLIC to SIBR Interface

Hi Janet:

Sorry for the slightly tardy response.

Our thinking is that it would probably be better not to make any SLIC updates (implementing a new SLIC to SIBR interface) if the CAISO is going to be replacing the SLIC system next year, especially if that would mean that market participants would get a little more time to work with and train on the new Outage Management System.

Thanks for the opportunity to comment. Please let me know if you have any questions. Have a great Holiday weekend.

Ken Kohtz
Silicon Valley Power
(408) 615-6676

From: CAISO Communications [mailto:marketnotices@caisocommunications.com]
Sent: Thursday, May 12, 2011 1:37 PM
To: Ken Kohtz
Subject: Request for Comments on Need for SLIC to SIBR Interface

Market Notice

May 12, 2011

Categories
Market Operations
Market Rules and Market Design

Requested Client Action
Request for Comment

Request for Comments on Need for SLIC to SIBR Interface

Summary
The California ISO is seeking comments on the need to implement a SLIC to SIBR interface. Please submit comments to jmorris@caiso.com by May 25, 2011.

Main Text
In September 2006, the Federal Energy Regulatory Commission (FERC) directed the California ISO to implement an interface between Scheduling and Logging for the ISO of California (SLIC) and Scheduling Infrastructure Business Rules (SIBR) by "release 2" of the new market design.

The ISO is now considering if this feature would provide sufficient benefit to the market to justify the costs of implementation, especially in light of other high priority enhancements, and is seeking stakeholder comments on the topic.

Implementing the SLIC to SIBR interface would require the following significant system changes:
- In order to properly handle in the case of a generation outage/de-rate/re-rate, around 500 generator processing and validation rules will have to be revisited and revised.
- In the case of multiple commodity bid in (energy and ancillary services) and the unit is de-rated or re-rated, there is no clean way to adjust or curtail the bids. The ISO will need to reject the bids.
- In the case that the particular generator is associated with any Existing Transmission Contracts/Transmission Ownership Rights/Converted Rights (ETC/TOR/CVR) contract, the adjustment will require following the contract and potentially the chain to all the impacted sources and sinks.
- The Outage Management System will replace SLIC in 2012
- Implementation would require extensive testing and market simulation

Benefit to market participants appears to be limited:
- Planned outages - when markets are open, scheduling coordinators can resubmit their bids based on planned outages
- Forced outages - when markets are already closed, bids cannot be requested and the outage is recognized in real time
- As noted in the September 2006 order, even if SIBR generated bids for de-rated capacity, the day-ahead and real-time markets will see de-rates entered into SLIC and bids for capacity that is not available will not result in market awards

Please submit comments on the current need to provide a SLIC to SIBR interface to jmorris@caiso.com by close of business May 25, 2011. The ISO will review comments received and publish a paper in June 2011.

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For More Information Contact
Send an email to Janet Morris at jmorris@caiso.com

The California ISO strives to be a world-class electric transmission organization built around a globally recognized and inspired team providing cost-effective and reliable service, well-balanced energy market mechanisms, and high-quality information for the benefit of our customers.

250 Outcropping Way, Folsom, CA 95630

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Comments of Southern California Edison Company on
The Need for a SLIC to SIBR Interface

Submitted by	Company	Date Submitted
Ivan D. Kokos Ivan.Kokos@sce.com (626) 302-3341	Southern California Edison Company	May 25, 2011

Southern California Edison Company ("SCE") received the California Independent System Operator's ("CAISO") *Request for Comments on Need for SLIC to SIBR Interface* market notice and appreciates this opportunity to provide input.

CAISO essentially describes the issue as one requiring significant system changes with only limited benefit to market participants. SCE agrees with this perspective. Given that the CAISO is already engaged in restructuring its Outage Management System (OMS), expected to be implemented in 2012, SCE believes that CAISO's limited resources would be better focused on ensuring that the new OMS runs smoothly and will correctly interface with Scheduling Infrastructure Business Rules (SIBR). Requiring the CAISO to modify its current systems for the interim benefit of a SLIC to SIBR interface would divert valuable time and resources from OMS, which is designed to ultimately replace SLIC.

Although SCE recognizes that a SLIC to SIBR interface would reduce the number of incorrect bids submitted as a result of outages, given the intensive effort that would be required to implement this type of interface and the limited benefits, SCE recommends the CAISO to focus on the development and smooth implementation of OMS.

California Department of Water Resources State Water Project Comments on Need for SLIC to SIBR Interface

May 24, 2011

Per the May 12, 2011 CAISO Market Notice requesting comments on the need to implement a SLIC to SIBR interface, the California Department of Water Resources State Water Project (SWP) respectfully submits the following comment.

1. Need for SLIC to SIBR Interface

The SWP does not consider a SLIC to SIBR Interface to be a priority at this time. Additional market simulations or initiatives that require extensive system and software changes are difficult in this current budget environment. If a new Outage Management System will replace SLIC in 2012 we look forward to participating in the respective Stakeholder process.
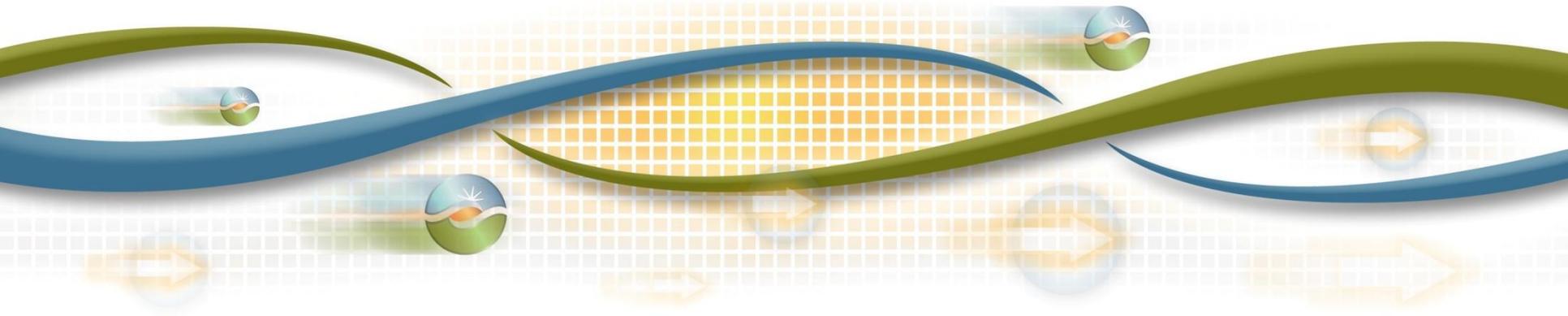
EXHIBIT 4

California ISO Market Performance and Planning Forum
June 22, 2011

Market Performance and Planning Forum

June 22, 2011

SLIC to SIBR Interface – Background

September 2006 FERC Order

- FERC's September 2006 order directed the ISO to implement an interface between SLIC and SIBR by "MRTU Release 2," a feature that the ISO had itself proposed for Release 2.

- The ISO is reconsidering whether this feature would provide sufficient benefit to the market to justify the costs of implementation especially in light of other high priority enhancements

- As noted in the September 2006 order, even if SIBR generated bids for derated capacity, the day-ahead and real-time markets will see derates entered into SLIC and bids for capacity that is not available will not result in market awards

SLIC to SIBR Interface – Impact Assessment

Significant system changes would be required

- In order to properly handle in the case of a generation outage/de-rate/re-rate, around 500 generator processing and validation rules will have to be revisited and revised;

- In the case that there are multiple commodity bid in (energy and ancillary services) and the unit is de-rated or re-rated, there is no clean way to adjust or curtail the bids. CAISO will need to reject the bids.

- In the case that the particular generator is associated with any ETC/TOR/CVR contract, the adjustment will require to follow the contract and potentially the chain to all the impacted sources and sinks.

- Outage Management System will replace SLIC in 2012

- Testing and market simulation would be extensive

SLIC to SIBR Interface – Impact Assessment

Benefit to market participants appears to be limited

- Planned Outages: When markets are open, the SC can resubmit their bids based on planned outages

- Forced Outages: When markets are already closed, bids cannot be requested and it will be recognized in real time

California ISO
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SLIC to SIBR Interface – Next Steps

- The ISO received and posted comments from six market participants

- Based on the feedback received, the ISO will seek to defer or eliminate this requirement

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties

listed on the official service lists in the captioned proceedings, in accordance with

the requirements of Rule 2010 of the Commission's Rules of Practice and

Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C. on the 17th day of February, 2012.

_/s/_ _Michael E. Ward_____
Michael E. Ward
Alston & Bird LLP