



May 28, 2002

The Honorable Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

FILED
OFFICE OF THE SECRETARY
02 MAY 28 PM 2:30
FEDERAL ENERGY
REGULATORY COMMISSION

Re: San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services Into Markets Operated by the California Independent System Operator and the California Power Exchange Docket Nos. EL00-95-000, et al.

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO")¹ respectfully submits this filing in compliance with the Commission's February 27, 2002 "Order Accepting Compliance Filing and Directing Further Compliance Filing" issued in the above-captioned dockets. *San Diego Gas & Electric Company, et al.*, 98 FERC ¶ 61,202 ("February 27th Order").

I. BACKGROUND

In its April 26, 2001 Order issued in this proceeding, the Commission held that the "ISO must be provided the authority to achieve greater systematic control over all units . . . that the ISO must dispatch, i.e., those units that have signed PGAs."² Accordingly, the Commission directed the ISO to make a tariff filing within 15 days of the April 26th Order proposing a mechanism for coordination and control of such outages, including periodic reports to the Commission, consistent with the discussion in the order.³ On May 11, 2001, the ISO filed Tariff changes to comply with the April 26th Order.

¹ Capitalized terms not otherwise defined herein are used in the meaning set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff.

² *San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services in Markets Operated by the California Independent System Operator and the California Power Exchange, et al.*, 95 FERC ¶ 61,115, at 61,355 (2001) ("April 26th Order")

³ *Id.*

On September 27, 2001, the ISO submitted a motion to expedite consideration of the provisions of the May 11, 2001 compliance filing concerning outage coordination.

On October 23, 2001, the Commission issued an order⁴ on the outage coordination provisions of the ISO's May 11, 2001 compliance filing. That order (1) directed the ISO to report questionable outages to the Commission within seven days of the occurrence of the outage, (2) to amend Tariff Section 2.3.3.9.5 to include a list of all factors the ISO considers when evaluating an outage to determine if it is questionable; (3) rejected without prejudice the ISO's use of "significant market impacts" as a criterion for canceling scheduled generator maintenance outages; (4) rejected the ISO's proposal to require 120 hours' advance notice and directed the ISO to retain its existing 72-hour advance notice requirement, and (5) directed the ISO to remove a provision requiring the ISO to coordinate outages in accordance with state law.

On November 7, 2001, the ISO submitted (1) Tariff changes to comply with the Commission's October 23 Order and (2) a copy of a proposed form for generators to use when reporting outages to the ISO.

On February 27, 2002 the Commission issued an order⁵ accepting the changes to the ISO Tariff proposed in the ISO's November 7, 2001 compliance filing. Noting that some of the information the ISO requested in the ISO's outage reporting form was already available at the ISO, the Commission directed that

...notwithstanding our acceptance of the proposed reporting form, we believe that the ISO, in its role of monitoring forced outages, should have a system in place that ties its existing data systems together. This would enable it to quickly gather the outage information that it already has access to rather than requiring generators to file it. Accordingly, we direct the ISO to develop a system for doing so and to file a revised form with the Commission within 90 days of this order.

February 27 Order at 4.

The instant filing contains (1) a revised outage form and (2) a description of the system the ISO has put into place to collect and analyze information related to generator outages.

⁴ *Order Accepting in Part and Rejecting in Part Portion of Compliance Filing Related to Outage Coordination* 97 FERC 61,066 (2001) ("October 23 Order).

⁵ *Order Accepting Compliance Filing and Directing Further Compliance Filing*, 98 FERC 61,202 (2002) ("February 27 Order).

II. OUTAGE REPORTING FORM

Working with Mr. Charles Reusch from the Commission's Market Oversight and Enforcement office, the ISO has developed a revised outage reporting form that generators will use to report outages both to the ISO and to Commission Staff. That form is included as Attachment A.

III. OUTAGE DATA COLLECTION AND ANALYSIS

Examining an outage to determine if that generator outage was legitimate or intended to manipulate the market requires collecting engineering information (e.g. a unit's maintenance history and current physical condition), operations information (e.g. outage schedules and requests for outages) and market information (e.g. bidding patterns for that unit and for other units owned or controlled by the same entity). The ISO's Outage Coordination office is responsible for collecting and analyzing the engineering and operations information, while the ISO's Department of Market Analysis (DMA) is responsible for collecting and analyzing the market information. Ultimately, input from both organizations may be necessary to determine if an outage is questionable.

DMA has developed an automated system that examines bidding practices to look for changes in bidding behavior and any corresponding changes in market outcomes. If DMA observes an event or pattern that warrants further examination, DMA will contact the Outage Coordination office to request information on any outages that may have occurred concurrent with the observed changes.

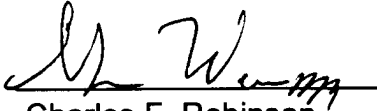
Similarly, if the Outage Coordination office receives information that suggests an outage may be questionable, it will report that questionable outage to DMA and request DMA investigate the bidding practices of that market participant and the performance of the markets during that time.

Attachment B shows the process by which DMA and the Outage Coordination office separately examine outages, bidding behavior and market performance and then coordinate their efforts should further investigation be warranted.

Should DMA, the Outage Coordination office, or both conclude that an outage is questionable, the ISO will report that outage to FERC as directed in the October 23 Order.

Two additional copies of this filing are enclosed to be date-stamped and returned to our messenger. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,



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Gene Waas
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ATTACHMENT A

	A	B	C	D	E	F
1	FERC/CAISO Incidence Report for Outages or Deratings > 10 MW					
	: Attach a completed copy of the first 15 lines of this spreadsheet to an e-mail.					
	: Submit a Worksheet for each event (Beginning or End) for each unit.					
2	: Enter the data only in row 15					
3	: Data required by FERC within 24 hours of beginning or end of an outage or a derating for a unit to: CALoutages@ferc.gov					
4	: Additional data required by CAISO within 48 hours of beginning or end of an outage or a derating for a unit to: forcedoutage@caiso.com					
5	: See the Worksheet tab "Example" for instructions on completing this form.					
6	: Note: the sample data is fictitious except for Company Name and Unit Name, which are from the ISOnames worksheet					
7	[A]	[B]	[C]	[D]	[E]	[F]
8	Date	Date	Outage	Company	Scheduling	Company Contact
9	FERC	Company	Report	Name	Coordinator	Person
10	Received	Sent	Type			
11	Data from	Data to	"Begin or			
12	Company	FERC	End"			(phone number
13						& e-mail)
14	(mm/dd/yy)	(mm/dd/yy)	(Begin/End)			
15		05/01/02	BEGIN	XYZ Energy Services Corporation	John Doe: 703 555-1212; jdoe@worstlink.com	Jack Dode: 703 555-2121; jdode@worstlink.com
16						
17						
18						
19						
20	This Column	MM/DD/YY	Text string	Alphabetic text		
21	will be filled			string.		
22	in by FERC					
23	personnel					
24	upon receipt			Copy from		
25	of data			MST_NAME		
26				column in the		
27				attached		
28				"ISOnames"		
29				worksheet		
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Name: Phone Number & e-mail address of company contact person

Name: Phone Number & e-mail address of company Scheduling Coordinator

If your company is not on the ISOnames spreadsheet enter the company name and use the exact same Company name for every submission

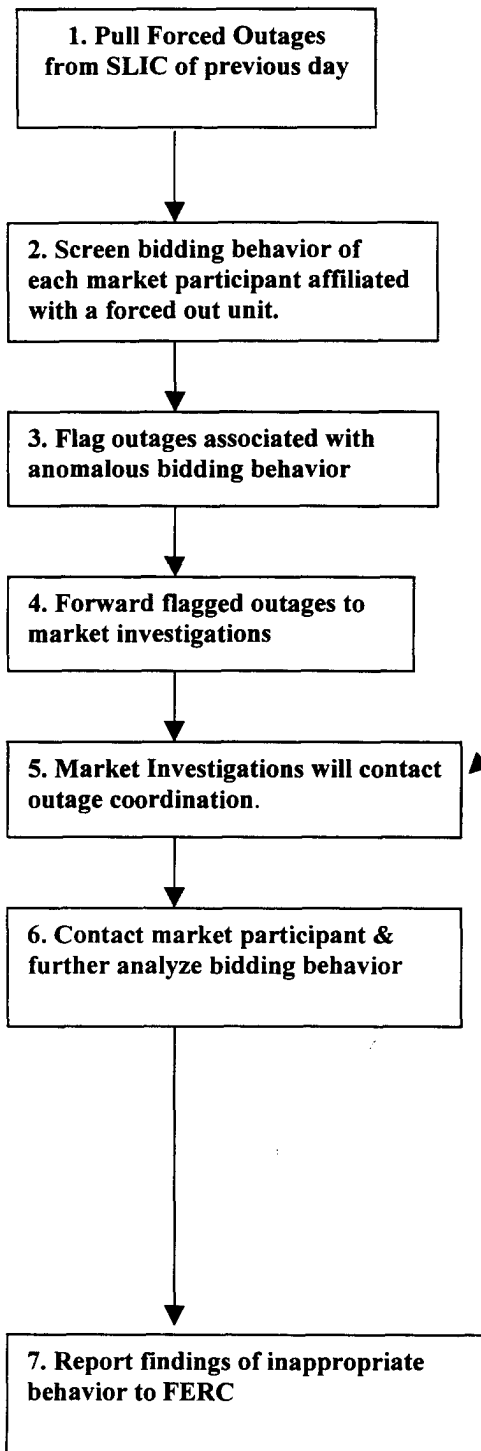
	AB	AC
1		
2		
3		
4		
5		
6		
7	[AB]	[AC]
8	Reason	Post
9	for	Outage
10	Outage	Report
11		Created?
12		
13		
14	(Text)	(Y/N)
15	Boiler tube leak. Steam harmful	
16	to personnel. Plan to replace tube	Y
17	section and return to service	
18		
19		
20	Short text string	character
21	note any legal restrictions	"Y" Yes
22	i.e. NOX limits, noise limits,	"N" No
23	constrained number of hours	
24	per year, time-of-day	
25	restrictions etc.	
26		
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31	please keep answers in one	
32	worksheet cell	
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Definitions: Note [G], [H] and [I] are based on EIA Form-860a Annual Electric Generator Report - Utility, Year 1999, Specific Instructions													
2														
3	[G] Unit Type (Prime Mover)													
4	AB	Atmospheric Fluidized Bed Combustion												
5	CA	Combined Cycle Steam Turbine with supplemental firing												
6	CC	Combined Cycle-total Unit (Only for such units in planning stage)												
7	CE	Compressed Air Energy Storage												
8	CH	Steam Turbine, Common Header												
9	CS	Combined Cycle-single shaft (gas turbine and the steam turbine share a single generator)												
10	CT	Combine Cycle Steam Turbine - Waste Heat Boiler only												
11	FC	Fuel Cell												
12	GE	Steam turbine (geothermal)												
13	GT	Combustion (gas) turbine												
14	HL	Hydraulic turbine (pipeline)												
15	HY	Hydraulic turbine (conventional)												
16	IC	Internal Combustion (Diesel, piston)												
17	IG	Integrated Coal Gasification Combined Cycle												
18	JE	Jet Engine												
19	NB	Steam Turbine- Boiling Water Nuclear Reactor												
20	NG	Steam Turbine - Graphite Nuclear Reactor												
21	NH	Steam Turbine - High temperature Gas cooled Nuclear Reactor												
22	NP	Steam Turbine - Pressurized Water Nuclear Reactor												
23	OC	Ocean Thermal Turbine												
24	PB	Pressurized Fluidized Bed Combustion												
25	PS	Hydraulic Turbine - Reversible (pumped storage)												
26	PV	Photovoltaic												
27	SS	Steam Turbine - Solar												
28	ST	Steam Turbine - Boiler												
29	VR	Various Types (used for reporting data on several generators of different types)												
30	WT	Wind Turbine												
31	OT	Other (please describe)												
32	NA	Unknown at this time												
33														
34	[I] Fuel Type (Energy Sources)													
35	ANT	Anthracite					BFG	Blast-Furnace gas						
36	BIO	Biomass (Generic)					COG	Coke-Oven gas						
37	BIT	Bituminous coal					COM	Coal Oil Mixture						
38	COL	Coal (generic)					CWM	Coal Water Mixture						
39	CRU	Crude Oil					FO2	No. 2 Fuel Oil						
40	FO1	No. 1 Fuel Oil					FO5	No. 5 Fuel Oil						
41	FO4	No. 4 Fuel Oil					GAS	Gas (Generic)						
42	FO6	No. 6 Fuel Oil					JF	Jet Fuel						
43	GST	Geothermal steam					LIG	Lignite						
44	KER	Kerosene					LNG	Liquefied natural gas						
45	LPG	Liquefied Propane Gas					MF	Multi fuel burned at the same time						
46	MTE	Methane					PC	Petroleum Coke						
47	MTH	Methanol					PL	Plutonium						
48	NG	Natural Gas					REF	Refuse, Bagasse or other non wood waste						
49	ORM	Orimulsion					SNG	Synthetic Natural Gas						
50	PET	Petroleum (generic)					STM	Steam						
51	PRO	Propane					SUN	Solar						
52	RG	Refinery Gas					TOP	Topped Crude Oil						
53	RRO	Re-Refined Motor Oil (Coal Gassification)					WAT	Water						
54	SUB	Subbituminous Coal					WD	Wood and wood waste						
55	TH	Thorium					WND	Wind						
56	UR	Uranium					OT	Other (describe)						
57	WC	Waste Coal (culm)					NA	Not available						
58	WH	Waste Heat												
59	ZZ	Fuel brought to the plant that is converted before combustion												
60														
61														
62	[J] Nameplate Capacity													
63	The full-load continuous rating of a generator, prime mover or other electric power production equipment													
64	under specific conditions as designated by the manufacturer. Installed generator nameplate rating													
65	is usually indicated on a nameplate physically attached to the generator.													
66	Enter the maximum nameplate capacity of the generator in megawatts.													
67	If the capacity is expressed in Kilowatts or kilovoltamperes, convert to megawatts.													
68	If more than one capacity appears on the nameplate, report the highest capacity.													
69														
70	[K] Re-Rated Capacity													
71	Report the current rated capacity (in megawatts)													
72														
73	[L] Output Before Outage													
74	Report the output that this unit was producing (in megawatts) before the outage occurred.													

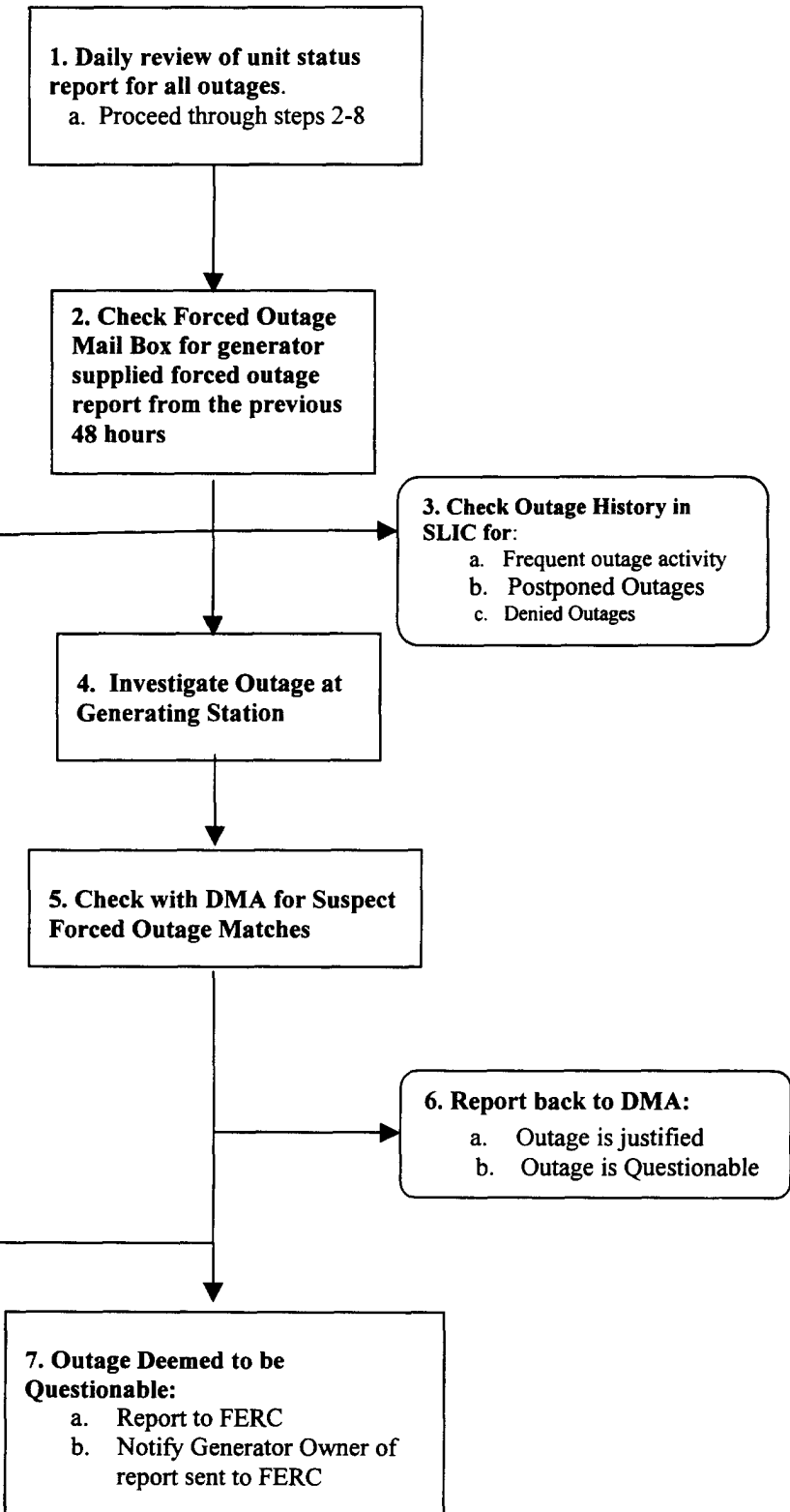
ATTACHMENT B

Forced Outage Monitoring

DMA Process



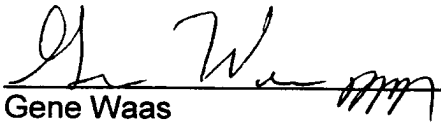
Outage Coordination Process



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the Public Utilities Commission of the State of California, upon all parties of the official service lists maintained by the Secretary for Docket Nos. EL00-95-000, et al., and upon all entities that have entered into Participating Generator Agreements with the ISO.

Dated at Folsom, California, this 28th day of May, 2002.

A handwritten signature in black ink, appearing to read "Gene Waas", with a horizontal line drawn underneath it.

Gene Waas
Regulatory Counsel
The California Independent System
Operator Corporation
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