

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

California Independent System
Operator Corporation
Docket Nos. ER06-615-051
ER09-213-001
ER09-240-003
ER09-241-003

December 14, 2009

California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

Attention: Anna A. McKenna, Esquire
Senior Counsel for California Independent
System Operator Corporation

Reference: Quarterly Reports

Dear Ms. McKenna:

On July 30, 2009, the California Independent System Operator Corporation (CAISO) submitted two quarterly reports, the Post-Implementation Report and the CAISO's Department of Market Monitoring (DNM) Quarterly Report on MRTU Design Issues. The Post-Implementation Report was prepared by the CAISO's Department of Market Services which analyzes the performance of the CAISO's market during the first three months of market operations, from April 1 through June 30, 2009. The DNM Quarterly Report analyzes aspects of the performance of the CAISO's market during the April 1 – June 30 period that are not covered by the Market Services Quarterly Report. The quarterly reports are filed pursuant to the directive in the Commission's September 21, 2008 Order in Docket Nos. ER06-615-000, et al., which for the first year after the implementation of MRTU, requires the CAISO to file post-implementation performance reports on a quarterly basis within 30 days of the end of each calendar quarter.¹ The

¹ California Independent System Operator Corp., 116 FERC ¶ 61,274, at P 1417 (2006) (September 2006 Order).

CAISO states that these quarterly reports also satisfy the other Commission directives on quarterly reporting included in the September 2006 Order, subsequent Commission orders as noted, and other CAISO requirements and commitments. The Market Services quarterly report addresses a number of different matters including MRTU performance and characteristics, Market performance metrics, the cost of perfect hedge, compliance with NERC Reliability Standards, status of Business Practice Manual proposed revision requests, bilateral transfers of Existing Contract import capability, aggregate data on interim scheduling charges, deferred functionality items, evaluation of uneconomic adjustment parameters of the Real-Time Market, use of the price cap, and in-depth price cap analysis. The DNM quarterly report addresses two issues: the use of Forecasted versus Bid-In Load in the Local Market Power Mitigation (LNPM) procedures performed prior to the CAISO's day-ahead Integrated Forward Market, and mitigation of units not under Resource Adequacy or Reliability Must Run Contracts, and the resulting eligibility of these units as Frequently Mitigated Units. We acknowledge the receipt of these quarterly reports as being in satisfactory compliance with the Commission's directives.

The filing of these reports was noticed on July 31, 2009 with protests, comments or motions to intervene due on or before August 20, 2009. No protests or comments were received. Notices 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 is taken pursuant to the authority delegated to the Director, Division of Tariffs and Market Development – 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 Tariffs and Market
Development – West

cc: All Parties