

CAISO MARKET NOTICE

Requested Client Action: Information Only

Date of Distribution: March 8, 2006

Categories: Legal and Regulatory, Market Rules and Market Design

Subject: Revised Draft of the ISO Tariff to Establish Interim Reliability Requirements Program

Summary: The California Independent System Operator ("ISO") will post later today at the web link provided below a revised version of the proposed ISO Tariff language to establish the Interim Reliability Requirements Program that will implement the Resource Adequacy programs being established by the California Public Utilities Commission ("CPUC") and Local Regulatory Authorities.

Main Text: On February 14, 2006, the ISO held a meeting to brief stakeholders and receive comments on the changes that it proposed to make to the ISO Tariff to establish the Interim Reliability Requirements Program that will implement the Resource Adequacy programs being established by the CPUC and Local Regulatory Authorities. The ISO characterizes these tariff provisions as interim because they are designed to be appropriate for the period prior to implementation of the ISO's Market Redesign and Technology Upgrade program ("Pre-MRTU"). At the meeting the ISO requested that stakeholders submit written comments by February 21, 2006. The ISO subsequently received written comments from 17 stakeholders.

On March 2, 2006, the ISO held a conference call with stakeholders wherein ISO staff discussed the changes that it anticipated making to the proposed ISO Tariff language in response to the written stakeholder comments. During the conference call, stakeholders requested that the ISO post a revised version of the proposed ISO Tariff language. ISO management has considered this request and decided to post later today at the web link provided below a revised version of the proposed ISO Tariff language. The revised proposed ISO Tariff language includes the revisions that were discussed during the March 2, 2006 conference call. The revised language addresses many of the comments submitted by stakeholders.

<http://www.caiso.com/docs/2004/10/04/2004100410354511659.html>

On March 9, 2006, ISO staff will brief the ISO Board of Governors on the Interim Reliability Requirements Program, and request that the Board approve the policy proposals and authorize ISO management to file the necessary tariff provisions to implement the Interim Reliability Requirements Program. Accordingly, the proposed ISO Tariff language posted is subject to modification based on additional management and staff input, as well as on policy direction from the ISO Board of Governors.

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