

May 19, 2000

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: California Independent System Operator Corporation
Docket No. ER99-1971-_____**

Dear Secretary Boergers:

Enclosed please find an original and fourteen copies of a Notice of Implementation regarding the electronic Dispatch of resources by the California Independent System Operator Corporation ("ISO")¹ through its new Automated Dispatching System ("ADS"). The enclosed Notice of Implementation was issued by the ISO on May 17, 2000 pursuant to its existing authority under Section 2.5.6.2 of the California Independent System Operator Corporation FERC Electric Tariff ("ISO Tariff"). As stated in the enclosed Notice of Implementation, this action is consistent with the Commission's May 26, 1999 order in the above-captioned proceeding.

The ISO filed proposed Amendment No. 14 to the ISO Tariff in the above-captioned docket on March 1, 1999. Amendment No. 14 principally

¹ Capitalized terms not otherwise defined herein are defined in the Master Definitions Supplement, ISO Tariff, Appendix A.

The Honorable David P. Boergers

May 19, 2000

Page 2

consisted of Phase I of the comprehensive redesign of the ISO's Ancillary Services markets. One of the elements of the Ancillary Services redesign proposal was automation of the communication of Dispatch instructions to resources supplying Imbalance Energy.

The Commission accepted the Tariff revisions and other proposals filed by the ISO in Amendment No. 14, with certain modifications, by order issued on May 26, 1999. *AES Redondo Beach, L.L.C., et al.*, 87 FERC ¶ 61,208 (1999) ("May 26 Order"). The Commission specifically approved the ISO's proposal to implement modifications to its communications system through which sellers of Imbalance Energy will be automatically notified that their bids have been accepted. May 26 Order at 61,815. The Commission also noted that the ISO "plans to notify market participants by electronic mail when the system is ready to operate." *Id.*

When the ISO filed Amendment No. 14, it did not believe that Tariff modifications would be necessary in connection with the implementation of automated Dispatch. Upon further review, the ISO determined that certain minor clarifying revisions to Sections 2.5.6.2 and 2.5.22.10 of the ISO Tariff would be appropriate to confirm the ISO's existing authority to require electronic Dispatch capability. The ISO filed these revisions for approval on May 2, 2000 as part of Amendment No. 29 to the ISO Tariff. In the Amendment No. 29 transmittal letter, the ISO notified FERC that ADS was projected to become operational on June 1, 2000, and requested that the related Tariff revisions be permitted to go into effect on the later of June 1, 2000 or the date specified in a notice to be posted on the ISO Home Page. The Commission has not yet acted upon Amendment No. 29.

The enclosed Notice of Implementation specifies that, effective June 1, 2000, the ISO will implement electronic Dispatch of resources through the ADS and will require that Scheduling Coordinators participating in the ISO's Real-Time Energy market be capable of receiving electronic Dispatch instructions beginning on that date. The Notice of Implementation also states that, because the Commission has not yet acted upon the related Tariff revisions in Amendment No. 29, this implementation may be subject to further action by FERC.

The ISO states that the enclosed Notice of Implementation was posted on the ISO Home Page, <http://www.caiso.com>, on May 17, 2000 and was sent to all Market Participants on that date. The ISO further states that it has served the Notice of Implementation upon each person designated on the official service list for the above-captioned docket, as indicated in the attached certificate of service.

The Honorable David P. Boergers
May 19, 2000
Page 3

Enclosed please also find a form notice of filing suitable for publication in the Federal Register and copy of that form notice on a 3.5" diskette. Two extra copies of this filing are also enclosed. Please stamp these copies with the date and time filed and return them to the messenger.

Respectfully submitted

Roger E. Smith, Regulatory Counsel
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
(916) 608-7136

Kenneth G. Jaffe
David B. Rubin
Bradley R. Miliauskas
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W.
Washington, D.C. 20007
(202) 424-7500

Counsel for the California Independent
System Operator Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Notice upon each person designated on the service list compiled by the Secretary in the above-referenced docket.

Dated at Washington, DC, this 19th day of May, 2000.

Bradley R. Miliauskas
Counsel for the California Independent
System Operator Corporation