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November 26, 2008

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

FILED
SECRETARY OF THE
COMMISSION
2008 NOV 26 A 11:47
FEDERAL ENERGY
REGULATORY COMMISSION

**Re: California Independent System Operator Corporation
Filing of Non-Conforming Service Agreement No. 284
Under the MRTU Tariff
Docket No. ER09-____-000**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d, the California Independent System Operator Corporation ("CAISO") submits for Commission filing and acceptance an executed Amended and Restated Big Creek Physical Scheduling Plant ("PSP") Agreement ("Amended and Restated PSPA") between the CAISO and Southern California Edison Company ("SCE"). The CAISO requests an effective date for the Amended and Restated PSPA to coincide with the effective date of the CAISO Tariff to implement the CAISO's Market Redesign and Technology Upgrade ("MRTU") market design (the "MRTU Tariff").¹ The earliest implementation date of MRTU, and therefore of the MRTU Tariff, is March 1, 2009.

I. Background

The PSP agreement between the CAISO and SCE governs the treatment of SCE's Big Creek Hydroelectric Project ("Big Creek"), which consists of 23

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A of the MRTU Tariff, and in the Amended and Restated PSPA.

Generating Units, as a single Physical Scheduling Plant (“PSP”)² for purposes of providing Regulation to the CAISO. The agreement implements that operation as a single PSP based on unique aspects that combine to distinguish the Big Creek PSP from the ordinary configuration and operation of a PSP under the terms and conditions of the CAISO Tariff, which does not necessarily require a separate agreement with the CAISO.

The CAISO filed the original PSP agreement on February 14, 2000 in Docket No. ER00-1620-000. By letter order issued March 16, 2000, the Commission accepted it as Original Service Agreement No. 284 under the effective CAISO Tariff.³ As described in the CAISO’s filing in that proceeding, the PSP agreement provides for special treatment of Big Creek as a Physical Scheduling Plant in relation to the terms of the CAISO Tariff.

A. Purpose of the Amended and Restated PSPA

The primary purpose of the Amended and Restated PSPA is to align the currently effective PSP agreement with the new provisions of the MRTU Tariff, particularly a specification of the manner in which the CAISO and SCE will separate out SCE’s Eastwood Pumped Storage Plant (“Eastwood”) from the rest of SCE’s Big Creek project for purposes of operations, scheduling, and Settlements. Further, the CAISO and SCE utilized this opportunity to update the use of MRTU Tariff defined terms in the agreement, to clarify the manner in which the CAISO’s metering, telemetry, Regulation, Outage coordination, and operating requirements will apply to Big Creek, and to remove provisions describing the original operation of Big Creek under the PSP agreement as a test case in order to specify the Amended and Restated PSPA as an ongoing

² The CAISO Tariff defines a PSP as a “group of two or more related Generating Units, each of which is individually capable of producing Energy, but which either by physical necessity or operational design must be operated as if they were a single Generating Unit and any Generating Unit or Units containing related multiple generating components which meet one or more of the following criteria: i) multiple generating components are related by a common flow of fuel which cannot be interrupted without a substantial loss of efficiency of the combined output of all components; ii) the Energy production from one component necessarily causes Energy production from other components; iii) the operational arrangement of related multiple generating components determines the overall physical efficiency of the combined output of all components; iv) the level of coordination required to schedule individual generating components would cause the CAISO to incur scheduling costs far in excess of the benefits of having scheduled such individual components separately; or v) metered output is available only for the combined output of related multiple generating components and separate generating component metering is either impractical or economically inefficient.”

³ The effective CAISO Tariff at the time of the Commission’s original acceptance of the PSP agreement was designated as CAISO FERC Electric Tariff, First Replacement Volume Nos. I and II. The currently effective CAISO Tariff is designated as CAISO FERC Electric Tariff, Third Replacement Volume Nos. I and II. The MRTU Tariff is designated as CAISO FERC Electric Tariff, Fourth Replacement Volume Nos. I and II.

operating agreement. The CAISO and SCE have agreed to the modifications reflected in the Amended and Restated PSPA that are described in Section I.B, below, in order to best accomplish these purposes.

B. Differences between the Currently Effective PSP Agreement and the Amended and Restated PSPA

The Amended and Restated PSPA contains a number of changes and additions to the currently effective PSP agreement, which include the following:

- Most significantly, the provisions of Recitals E, F, G, H, I, and J and Sections 3 and 12 of the Amended and Restated PSPA describe the manner in which the Big Creek PSP and Eastwood will be operated, scheduled, and settled separately under the MRTU Tariff, subject to the new provisions of Section 12 that would provide for the restoration of the aggregation of Eastwood with the Big Creek PSP in the event the CAISO develops the functionality to permit this aggregation under the MRTU Tariff in the future. Also, several provisions have been revised to incorporate separate references to the Big Creek PSP and Eastwood to reflect that separation of operations, including the revised provisions of Sections 5, 6, 7, 8, 9, 10, and 11. In addition, the new provisions of Section 13 have been added to provide that, notwithstanding their otherwise separate operations, the Big Creek PSP and Eastwood may be combined in a UDP Aggregation in the event the CAISO implements the provisions of the MRTU Tariff for Uninstructed Deviation Penalties.
- Throughout the Amended and Restated PSPA, modifications have been made to reference new provisions of the MRTU Tariff, including revisions to tariff section numbers and defined terms in the provisions of Sections 1, 3, 4, 6, 7, 8, 9, 10, 11, and 16.
- Revisions have been made to the introductory paragraph and to the provisions of Section 14 to make the Amended and Restated PSPA effective only as of the effective date of the MRTU Tariff.
- The provisions of Recital D have been revised and Recital E and Section 12 of the currently effective PSP agreement have been deleted to reflect that the Big Creek PSP no longer operates as a test case.
- Sections 5 and 6 of the current PSP agreement have been deleted and the new provisions of Section 5 have been added to reflect that the revenue metering issues originally of concern at the time of execution of the current PSP agreement have been resolved and that the Meter Service Agreement between the CAISO and SCE for the Big Creek

PSP and Eastwood will address all of the applicable revenue metering matters under the MRTU Tariff.

- The provisions of Section 7 have been revised to reflect that the telemetry issues originally of concern at the time of execution of the current PSP agreement have been resolved.
- The new provisions of Section 8 have been added and Recital E of the current PSP agreement has been deleted to move the requirements regarding Regulation from the Recitals to the body of the agreement, along with revisions to reflect the separation of Eastwood from the Big Creek PSP and to incorporate MRTU Tariff terminology as noted above.
- Sections 9 and 10 have been revised to reference the provisions of SCE's Participating Generator Agreement with the CAISO for the Big Creek PSP as applicable to this agreement.
- Section 10 has also been revised to reference the provisions of SCE's Participating Load Agreement with the CAISO for Eastwood as applicable to this agreement.
- Throughout the Amended and Restated PSPA, references to the California Independent System Operator Corporation as the "ISO" have been replaced with references to the "CAISO" and references to Southern California Edison Company as "Edison" have been replaced with references to "SCE."
- Other clarifying revisions have been made to the substance of various provisions of the Amended and Restated PSPA, including minor clarifying revisions to Recitals A, B, C, and K and to Sections 16 and 18.

II. Effective Date and Conditional Request for Waiver

The CAISO requests that the Amended and Restated PSPA be made effective as of the date the MRTU Tariff becomes effective. The earliest implementation date of the MRTU Tariff is March 1, 2009.

In the event that the MRTU Tariff is implemented more than 120 days after the submittal of the instant filing, the CAISO also requests waiver, pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), of Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3), in order to permit the Amended and Restated PSPA to become effective as of that implementation date. Granting a waiver in this instance would be consistent with the similar

waivers of Section 35.3 that the Commission has granted for other MRTU-related filings.

III. Expenses

No expense or cost associated with this filing has been alleged or judged in any judicial or administrative proceeding to be illegal, duplicative, unnecessary, or demonstratively the product of discriminatory employment practices.

IV. Service

Copies of this filing have been served upon SCE, the California Public Utilities Commission, and all parties on the official service list for Docket No. ER00-1620. In addition, the filing has been posted on the CAISO Website.

Enclosed for filing are six copies of each of the following:

- (1) this letter of transmittal;
- (2) the Amended and Restated PSPA, which is in a format that complies with Order No. 614, *Designation of Electric Rate Schedule Sheets*, FERC Stats. and Regs. ¶ 31,096 (2000) (Attachment A);
and
- (3) the Amended and Restated PSPA showing the differences between it and the current version of the PSP agreement between the CAISO and SCE (Attachment B).

Also enclosed are two additional copies of this filing to be date-stamped and returned to our messenger.

V. Correspondence

The CAISO requests that all correspondence, pleadings and other communications concerning this filing be served upon the following:

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Senior Counsel
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Operator Corporation
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* Individuals designated for service pursuant to Rule 203(b)(3),
18 C.F.R. § 203(b)(3).

Respectfully submitted,



~~Sean A. Atkins~~
Bradley R. Miliauskas
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Nancy Saracino
General Counsel
Michael D. Dozier
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California Independent System
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Folsom, CA 95630

Attorneys for the California Independent System Operator Corporation

ATTACHMENT A

AMENDED AND RESTATED BIG CREEK PHYSICAL SCHEDULING PLANT
AGREEMENT WITH
SOUTHERN CALIFORNIA EDISON COMPANY

Issued by: Laura Manz, Vice President, Market and Infrastructure Development
Issued on: November 26, 2008

Effective: March 1, 2009

**AMENDED AND RESTATED AGREEMENT
BIG CREEK PHYSICAL SCHEDULING PLANT AGREEMENT**

This Amended and Restated Big Creek Physical Scheduling Plant Agreement (Agreement) is effective as of the date specified pursuant to Section 14 of this Agreement, and is entered into by and between the California Independent System Operator Corporation ("CAISO") and Southern California Edison Company ("SCE") (hereinafter referred to collectively as the Parties).

RECITALS

- A. SCE is a California corporation that owns and operates the Big Creek Hydroelectric Project ("Big Creek").
- B. The CAISO, a California nonprofit public benefit corporation, is incorporated under the laws of the State of California.
- C. The Big Creek hydro generation complex consists of 8 hydroelectric powerhouses with 22 individual Generating Units¹ including a complex system of hydraulically interconnected dams, reservoirs, and tunnels spread over a large watershed. SCE previously scheduled Big Creek as five multi-unit Physical Scheduling Plants ("PSPs").
- D. The CAISO and SCE are Parties to an existing Big Creek Physical Scheduling Plant Agreement, dated January 13, 2000 ("2000 Agreement"), pursuant to which Big Creek operated as a single Physical Scheduling Plant under a test case for a one-year period and since then has operated under that arrangement.
- E. Pursuant to the 2000 Agreement, the Parties agreed to model, schedule, and settle the Energy products provided by the Big Creek hydro generation complex as a Physical Scheduling Plant using a single Resource ID.
- F. Under the 2000 Agreement, the Big Creek Physical Scheduling Plant arrangement included Eastwood Pumped Storage Plant ("Eastwood"), which could operate in dual mode, as a Generating Unit or in a pumping mode, at any given time. Under this arrangement, Eastwood was included in Big Creek and participated in the Big Creek PSP only when operating in the Generation mode.
- G. Based on an evaluation of Big Creek operations under the 2000 Agreement, the CAISO has concluded that the continued operation of Big Creek as a single PSP is appropriate, subject to the terms of this Agreement.

¹ Capitalized terms used in this Agreement shall have the meaning set forth in the CAISO Tariff, Appendix A, Master Definitions Supplement, unless otherwise defined in this Agreement.

- H. Pursuant to this Agreement, under the updated Big Creek Physical Scheduling Plant arrangement, Eastwood shall now be scheduled and settled separately as an individual Generating Unit in Generation as well as in pumping mode (Load).
- I. Under the CAISO's Market Redesign and Technology Upgrade ("MRTU") design, the aggregation functionality can only support aggregation of Generation resources if the total Generation of the aggregation and each of the individual components within the aggregation is greater than or equal to zero. Since Eastwood can operate as a Generating Unit or as a pump (Load) resulting in negative Energy during pumping mode, the Generation aggregation cannot support the aggregation functionality under MRTU.
- J. The Parties now wish to schedule and operate Big Creek, which shall not include Eastwood, as a single Physical Scheduling Plant for the term of this Agreement. Eastwood shall now be scheduled independently of the Big Creek PSP. The Parties have established in this Agreement the terms and conditions under which Big Creek will be permitted to continue to schedule and operate as a single PSP, except as otherwise provided herein. It is both Parties' understanding that Settlements pursuant to this Agreement under MRTU shall not be materially different than if Eastwood was scheduled under MRTU in the prior Big Creek PSP configuration.
- K. The Parties wish to enter into this Agreement to 1) replace the 2000 Agreement, 2) establish the terms and conditions for the operation of Big Creek as a single PSP in compliance with the CAISO Tariff, and 3) provide for the reliable operation, metering, bidding, scheduling and Settlement of Big Creek as a single PSP.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

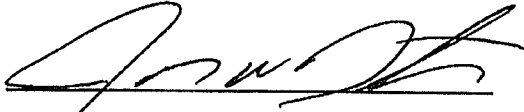
1. SCE shall comply with all provisions of the CAISO Tariff and CAISO Operating Procedures and standards that are applicable to the operation of the Big Creek PSP, as such provisions may be amended from time to time. The CAISO may post such procedures and standards on the CAISO Website.
2. Generation from Big Creek shall be calculated on the basis of a single PSP Meter Point for PSP Generation. SCE shall provide the CAISO Meter Point data for all of the individual Generating Units comprising the Big Creek PSP.
3. SCE shall submit Bids, including Self-Schedules, for the Eastwood Generation and pump back Load separately from the Big Creek PSP. Netting of Load with Generation shall only be permitted for Generating Unit auxiliary Load equipment as provided in Section 10.1.3 and other applicable provisions of the CAISO Tariff.

4. For all Generating Units comprising the Big Creek PSP, the Point of Receipt by the CAISO shall be the nearest 220 kV interconnection point with the CAISO Controlled Grid.
5. With regard to revenue metering for Big Creek and Eastwood, SCE shall comply with the Meter Service Agreement between the Parties.
6. All terminal voltages of the Generating Units comprising the Big Creek PSP and Eastwood shall comply with the terminal voltage requirements stated in SCE's System Operating Bulletin 17 and CAISO Transmission Operating Procedure T-105, "Voltage and VAR Requirements" and with Voltage Support and other applicable VAR requirements in Section 8.2.3.3 and other applicable provisions of the CAISO Tariff.
7. SCE shall maintain and operate a Remote Intelligent Gateway ("RIG") system for CAISO communication and control of Big Creek and Eastwood. The CAISO and SCE's Generation Operations Center shall maintain the Automatic Generation Control ("AGC") interface function between the RIG and the Big Creek automation system as a single PSP. Voice communication for emergency direct control of Big Creek and Eastwood shall be part of this requirement. SCE shall maintain visibility of the individual Generating Units comprising the Big Creek PSP and Eastwood to the CAISO Energy Management System ("EMS").
8. Regulation from Big Creek under AGC shall remain subject to the following conditions: 1) the Generating Units that make up the single PSP shall be located at the eight hydroelectric powerhouses that currently comprise the PSP, excluding Eastwood, and do not cross Transmission Interfaces; 2) netting of facility auxiliary Load shall be conducted pursuant to Section 10.1.3 and other applicable provisions of the CAISO Tariff, as provided in Section 3 of this Agreement; 3) SCE shall provide the CAISO with the ability to control the Big Creek PSP while on Regulation; and 4) telemetry and visibility of the individual Generating Units that make up the PSP shall be provided to the CAISO EMS, consistent with Section 7 of this Agreement.
9. The CAISO, via emergency voice communication, shall have the right to dispatch the Generating Units comprising the Big Creek PSP individually and Eastwood to ensure the safety and reliability of the CAISO Controlled Grid. In performing that Dispatch, the CAISO shall not knowingly issue an operating order regarding the individual Big Creek PSP units or Eastwood that results in damage to equipment, harm to operating personnel, or risk to public health and safety or SCE's non-compliance with any limitation identified for the Generating Units in SCE's Participating Generator Agreement, Schedule 1 that is in effect for the duration of the CAISO operating order.
10. Bidding, scheduling and CAISO Settlements of Big Creek and Eastwood shall be based on the single PSP designation of Big Creek as identified in Schedule 1 of SCE's Participating Generator Agreement with the CAISO ("PGA"), the requirements applicable to Eastwood set forth in SCE's Participating Load Agreement with the CAISO ("PLA"), and the CAISO Tariff.

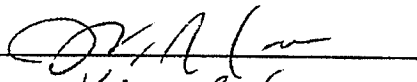
11. For purposes of Outage coordination, SCE shall comply with Section 9 of the CAISO Tariff, including requesting and processing scheduled Outages for Eastwood and each individual Generating Unit that comprises the Big Creek PSP pursuant to Section 9. An Outage shall be requested under the respective Resource ID (entered under location code), with the specific Generating Unit name and unit number listed in parenthesis or provided in additional spaces. SCE shall notify the CAISO of capacity or Ramp Rate reductions that arise from equipment Outages and/or limitations on the Big Creek PSP and Eastwood.
12. If the CAISO makes any modifications to the MRTU aggregation functionality which would allow Eastwood to participate in the Big Creek PSP, the CAISO shall initiate the process to develop an amendment to accommodate such change upon written request from SCE.
13. Notwithstanding any contrary provision of CAISO Tariff Appendix R (UDP Aggregation Protocol), the Big Creek PSP and Eastwood shall be eligible to be combined in a UDP Aggregation.
14. This Agreement shall be effective as of the date of (i) MRTU implementation or (ii) a Federal Energy Regulatory Commission ("FERC") order approving this Agreement, whichever is earlier. In case the Agreement is approved by FERC prior to the MRTU implementation date, it shall take effect only upon implementation of MRTU. If the Agreement is approved by FERC, it shall remain effective until terminated pursuant to Section 14 of this Agreement.
15. Either Party may terminate this Agreement upon thirty (30) days advance written notice to the other Party. Any notice of termination given pursuant to this Section must be filed at the FERC and shall become effective when FERC accepts the termination for filing. If this Agreement is terminated then: (a) SCE shall discontinue scheduling Big Creek as a single PSP; (b) such termination shall not affect rights and obligations for payment of money for services provided or obligations incurred prior to termination; and (c) Big Creek shall have the right to participate in the marketplace thereafter as multi-unit Physical Scheduling Plants.
16. Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the CAISO Tariff and be provided to the representative of the other Party identified in Schedule 3 of the PGA.
17. This Agreement is entered into and to be performed in the State of California and shall be construed and enforced in accordance with the laws of the State of California without regard to conflict of laws principles.
18. Nothing contained in this Agreement shall alter SCE's obligations under the CAISO Tariff, the PGA, the PLA, or any other agreement.
19. This Agreement constitutes the entire agreement between the Parties, and supersedes any and all written or oral agreements previously existing between the Parties with respect to the subject matter hereof. Any amendments to this Agreement shall be in writing and duly executed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date herein written below.

California Independent System Operator Corporation

By: 
Name: Jim Detmers
Title: Vice President of Operations
Date: 11/21/08

Southern California Edison Company

By: 
Name: Kevin R. Ginn
Title: Vice President, E&M
Date: November 21, 2008

ATTACHMENT B

**Big Creek Physical Scheduling Plant Agreement AMENDED AND RESTATED
AGREEMENT**
BIG CREEK PHYSICAL SCHEDULING PLANT AGREEMENT

This Amended and Restated Big Creek Physical Scheduling Plant Agreement (Agreement) is effective as of January , 2000, the date specified pursuant to Section 14 of this Agreement, and is entered into by and between the California Independent System Operator Corporation (ISO "CAISO") and Southern California Edison Company ("SCE or Edison") (hereinafter referred to collectively as the Parties).

RECITALS

- A. SCE is a California corporation that owns and operates the Big Creek Hydroelectric Project ("Big Creek").
- B. The ISO is a not-for-profit CAISO, a California nonprofit public benefit corporation, is incorporated under the laws of the State of California.
- ~~C. C.~~ The Big Creek PSP hydro generation complex consists of 238 hydroelectric powerhouses with 22 individual Generating Units¹ in nine powerhouses and including a complex system of hydraulically interconnected dams, reservoirs, and tunnels spread over a large watershed. SCE has previously scheduled Big Creek as five multi-unit Physical Scheduling Plants ("PSPs").
- ~~D.~~ The Parties wish to schedule and operate Big Creek D. The CAISO and SCE are Parties to an existing Big Creek Physical Scheduling Plant Agreement, dated January 13, 2000 ("2000 Agreement"), pursuant to which Big Creek operated as a single Physical Scheduling Plant (PSP) under a test case for a one-year period, at the conclusion of which, the ISO will establish and since then has operated under that arrangement.
- ~~E.~~ Pursuant to the 2000 Agreement, the Parties agreed to model, schedule, and settle the Energy products provided by the Big Creek hydro generation complex as a Physical Scheduling Plant using a single Resource ID.
- ~~F.~~ Under the 2000 Agreement, the Big Creek Physical Scheduling Plant arrangement included Eastwood Pumped Storage Plant ("Eastwood"), which could operate in dual mode, as a Generating Unit or in a pumping mode, at any given time. Under this arrangement, Eastwood was included in Big Creek and participated in the Big Creek PSP only when operating in the Generation mode.

¹ Capitalized terms used in this Agreement shall have the meaning set forth in the ISO CAISO Tariff, Appendix A, Master Definitions Supplement, unless otherwise defined in this Agreement.

G. Based on an evaluation of Big Creek operations under the 2000 Agreement, the CAISO has concluded that the continued operation of Big Creek as a single PSP is appropriate, subject to the terms of this Agreement.

H. Pursuant to this Agreement, under the updated Big Creek Physical Scheduling Plant arrangement, Eastwood shall now be scheduled and settled separately as an individual Generating Unit in Generation as well as in pumping mode (Load).

I. Under the CAISO's Market Redesign and Technology Upgrade ("MRTU") design, the aggregation functionality can only support aggregation of Generation resources if the total Generation of the aggregation and each of the individual components within the aggregation is greater than or equal to zero. Since Eastwood can operate as a Generating Unit or as a pump (Load) resulting in negative Energy during pumping mode, the Generation aggregation cannot support the aggregation functionality under MRTU.

J. The Parties now wish to schedule and operate Big Creek, which shall not include Eastwood, as a single Physical Scheduling Plant for the term of this Agreement. Eastwood shall now be scheduled independently of the Big Creek PSP. The Parties have established in this Agreement the terms and conditions under which Big Creek will be permitted to continue to schedule and operate as a single PSP, except as otherwise provided herein. It is both Parties' understanding that Settlements pursuant to this Agreement under MRTU shall not be materially different than if Eastwood was scheduled under MRTU in the prior Big Creek PSP configuration.

~~E. The Big Creek PSP test case is intended to focus on the use of a single PSP for Regulation under Automatic Generation Control (AGC). This test case is subject to the following conditions: 1) the Generating Units that make up the single PSP are located within the same ISO Demand zone and do not cross Inter-Zonal or Intra-Zonal Interfaces within the ISO Control Area; 2) netting of facility auxiliary Load will be conducted pursuant to Sections 2.2.4.3 and 2.3.5 of the ISO Metering Protocol; 3) SCE will provide the ISO with the ability to control the Big Creek PSP while on Regulation; and 4) telemetry and visibility of the individual Generating Units that make up the PSP will be provided to the ISO Energy Management System (EMS).~~

~~F-K. The Parties wish to enter into this Agreement to: 1) replace the 2000 Agreement, 2) establish the terms and conditions for the operation of Big Creek as a single PSP in compliance with the ISO/CAISO Tariff, and 23) provide for the reliable operation, metering, bidding, scheduling and settlement Settlement of Big Creek as a single PSP.~~

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. ~~Edison~~SCE shall comply with all provisions of the ISOCAISO Tariff and ISOCAISO Operating Procedures and standards that are applicable to the operation of the Big Creek PSP, as such provisions may be amended from time to time. The ISOCAISO may post such procedures and standards on the ISO Home PageCAISO Website.
2. Generation from Big Creek shall be calculated on the basis of a single PSP Meter Point for PSP Generation. ~~Edison~~SCE shall provide the ISOCAISO Meter Point data for all of the individual Generating Units comprising the Big Creek PSP.
3. ~~SCE shall provide a separate Schedules~~submit Bids, including Self-Schedules, for the Eastwood pumpback Load. SCE shall not net Load, except for facility auxiliary Load, withinGeneration and pump back Load separately from the Big Creek single PSP configuration. Netting of Load with Generation shall only be permitted for Generating Unit auxiliary Load equipment as provided in ~~Sections 2.2.4.3 and 2.3.5~~Section 10.1.3 and other applicable provisions of the ISO Metering ProtocolCAISO Tariff.
4. For all Generating Units comprising the Big Creek PSP, the ~~point~~Point of delivery ~~to~~Receipt by the ISOCAISO shall be the nearest 220 kV interconnection point with the ISOCAISO Controlled Grid.
5. ~~Within six (6) months after the effective date of this Agreement, consistent with the specification of the point of delivery for all Big Creek PSP Generating Units set forth in Paragraph 4 of this Agreement, SCE shall determine and provide to the ISO pursuant to Section 10.4 of the ISO Tariff loss correction factors that compensate the ISO meters for each Generating Unit comprising the Big Creek PSP, for transformer and line losses to each unit's point of interconnection with the ISO Controlled Grid according to SCE's implementation plan under Paragraph 6.~~With regard to revenue metering for Big Creek and Eastwood, SCE shall comply with the Meter Service Agreement between the Parties.
6. ~~The ISO shall grant SCE's Generation Business Unit a temporary exemption from the ISO Metering Protocol for the limited purpose of implementing any metering changes necessary to comply with Paragraph 5 of this Agreement. Within thirty (30) days from the effective date of this Agreement, Edison shall submit to the ISO an implementation plan that describes the scope of work necessary to achieve such compliance, identifies the potential metering changes to be implemented, and specifies the time period required to complete the implementation of the changes.~~
6. ~~7.~~All terminal voltages of the Generating Units comprising the Big Creek PSP and Eastwood shall comply with the terminal voltage requirements stated in EdisonSCE's System Operating Bulletin 17 and ISOCAISO Transmission Operating Procedure T-105, "Voltage and VAR Requirements" and with theVoltage Support and other applicable VAR requirements in Section 8.2.3.3 and other applicable provisions of the ISOCAISO Tariff.

- ~~7.~~ ~~8.~~ EdisonSCE shall install, maintain, and operate a Remote Intelligent Gateway ("RIG") system for ISOCAISO communication and control of Big Creek and Eastwood. The ISOCAISO and EdisonSCE's Generation Operations Center shall implement and test the AGCmaintain the Automatic Generation Control ("AGC") interface function between the RIG and the Big Creek automation system as a single PSP by June 1, 2000. Voice communication for emergency direct control of the Big Creek Hydroelectric Projectand Eastwood shall be part of the test procedure. Telemetry andthis requirement. SCE shall maintain visibility of the individual Generating Units comprising the Big Creek PSP shall be provided to the ISO EMSand Eastwood to the CAISO Energy Management System ("EMS").
- ~~8.~~ Regulation from Big Creek under AGC shall remain subject to the following conditions: 1) the Generating Units that make up the single PSP shall be located at the eight hydroelectric powerhouses that currently comprise the PSP, excluding Eastwood, and do not cross Transmission Interfaces; 2) netting of facility auxiliary Load shall be conducted pursuant to Section 10.1.3 and other applicable provisions of the CAISO Tariff, as provided in Section 3 of this Agreement; 3) SCE shall provide the CAISO with the ability to control the Big Creek PSP while on Regulation; and 4) telemetry and visibility of the individual Generating Units that make up the PSP shall be provided to the CAISO EMS, consistent with Section 7 of this Agreement.
9. The ISOCAISO, via emergency voice communication, shall have the right to dispatch the Generating Units comprising the Big Creek PSP individually and Eastwood to ensure the safety and reliability of the ISOCAISO Controlled Grid. In performing that ~~dispatch~~Dispatch, the ISOCAISO shall not knowingly issue an operating order regarding the individual Big Creek PSP units or Eastwood that results in damage to equipment, harm to operating personnel, or risk to public health and safety or SCE's non-compliance with any limitation identified for the Generating Units in SCE's Participating Generator Agreement, Schedule 1 that is in effect for the duration of the CAISO operating order.
10. Bidding, scheduling and ISOCAISO Settlements of Big Creek and Eastwood shall be based on the single PSP designation of Big Creek as identified in Schedule 1 of SCE's Participating Generator Agreement with the CAISO ("PGA"), the requirements applicable to Eastwood set forth in SCE's Participating Load Agreement with the CAISO ("PLA"), and the CAISO Tariff.
- ~~11.~~ 11. For purposes of Outage coordination, Big Creek PSPSCE shall comply with Section 9 of the CAISO Tariff, including requesting and processing scheduled Outages shall be requested and processed for Eastwood and each individual Generating Unit that comprises the PSP. TheBig Creek PSP pursuant to Section 9. An Outage shall be requested under the single PSP resource ID numberrespective Resource ID (entered under location code), with the specific Generating Unit name and unit number listed in parenthesis or provided in additional spaces. SCE shall notify the ISOCAISO of capacity or ramp rateRamp Rate reductions that arise from equipment outagesOutages and/or limitations on the Big Creek PSP and Eastwood.

- ~~12.~~ The test case shall be for a one (1) year period commencing on the effective date of this Agreement. Big Creek shall be scheduled and operated as a single PSP for the test case period, at the conclusion of which the ISO will establish the terms and conditions under which Big Creek will be permitted to schedule and operate as a single PSP on a permanent basis, except as otherwise provided herein.
12. If the CAISO makes any modifications to the MRTU aggregation functionality which would allow Eastwood to participate in the Big Creek PSP, the CAISO shall initiate the process to develop an amendment to accommodate such change upon written request from SCE.
13. Notwithstanding any contrary provision of CAISO Tariff Appendix R (UDP Aggregation Protocol), the Big Creek PSP and Eastwood shall be eligible to be combined in a UDP Aggregation.
- ~~13.~~ 14. This Agreement shall be effective as of the date set forth above, subject to submission of the Agreement to, and its approval by, the of (i) MRTU implementation or (ii) a Federal Energy Regulatory Commission ("FERC") order approving this Agreement, whichever is earlier. In case the Agreement is approved by FERC prior to the MRTU implementation date, it shall take effect only upon implementation of MRTU. If the Agreement is approved by FERC, it shall remain effective until terminated pursuant to ~~Paragraph~~ Section 14 of this Agreement.
- ~~14.~~ 15. Either Party may terminate this Agreement upon thirty (30) days advance written notice to the other Party. Any notice of termination given pursuant to this Section must be filed at the FERC and shall become effective when FERC accepts the termination for filing. If this Agreement is terminated then: (a) SCE shall discontinue scheduling Big Creek as a single PSP; (b) such termination shall not affect rights and obligations for payment of money for services provided or obligations incurred prior to termination; and (c) Big Creek shall have the right to participate in the marketplace thereafter as five multi-unit Physical Scheduling Plants.
- ~~15.~~ 16. Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 20.422.4 of the ISO CAISO Tariff and be provided to the representative of the other Party identified in Schedule 3 of the Participating Generator Agreement (PGA) between SCE and the ISO dated December 5, 1997, as amended PGA.
- ~~16.~~ 17. This Agreement is entered into and to be performed in the State of California and shall be construed and enforced in accordance with the laws of the State of California without regard to conflict of laws principles.
- ~~17.~~ 18. Nothing contained in this Agreement shall alter ~~Edison~~ SCE's obligations under the ISO CAISO Tariff or, the PGA, the PLA, or any other agreement.
- ~~18.~~ 19. This Agreement constitutes the entire agreement between the Parties, and supersedes any and all written or oral agreements previously existing between the Parties with respect to the subject matter hereof. Any

amendments to this Agreement shall be in writing and duly executed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date ~~first above~~herein written below.

California Independent System Operator Corporation

By: _____

Name: ~~Kellan Fluckiger~~ Jim Detmers

Title: Vice President of Operations

Date: _____

Southern California Edison Company

By: _____

Name: _____


Title: _____

Date: _____

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents upon each entity listed in those documents as receiving service, 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 this 26th day of November, 2008.


Bradley R. Miliauskas