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Post 5 Day Price Correction Draft Tariff Language

Fifth Replacement CAISO Tariff

June 11, 2010

Revised July 1, 2010

6.5 CAISO Communications.

The CAISO will provide a secure communication system to publish confidential information and communicate with Scheduling Coordinators, and OASIS to publish public information. All prices released by the ISO either as confidential information or as published on its OASIS are subject to price corrections and changes pursuant to Section 35.

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~~**27.1.3 Maximum and Minimum CAISO Markets** **Prices**~~ **[Note – Propose deleting from tariff given that this section is no longer in effect.]**

~~For Settlements purposes, all LMPs, ASMPs and RUC Availability Prices for the IFM, RUC, HASP and Real-Time Market, as applicable, shall not exceed $2500 per MWh and shall not be less than negative $2500 per MWh. All prices produced by the CAISO Markets will be posted in accordance with the posting of market results as further provided in Section 6.5, and subject to the price validation and correction procedures provided in Section 35; provided that the only prices that will be initially withheld from publication are those prices that exceed the above specified maximum and minimum CAISO Market prices. Prices exceeding $2500 or less than negative $2500 will be modified for Settlements purposes pursuant to price correction process in Section 35 and the CAISO will post the results. In addition to the analysis provided in the CAISO quarterly market performance reports on the maximum and minimum prices and price trends, the CAISO shall include in the weekly price correction report specified in Section 35.6 all prices at a non-aggregated level that exceed the minimum and maximum settlement prices specified in this Section 27.1.3. This Section 27.1.3 will no longer be in effect twelve months after the effective date of this section 27.1.3.~~

35.   Market Validation and Price Correction. [Note – Propose deleting given that price screen in 27.1.3 is no longer in effect.]

35.1   Market Validation.

The CAISO shall monitor the Market Clearing software solutions for the Day-Ahead Market, the RUC process, the Hour-Ahead Scheduling Process, and the Real-Time Market for all market intervals to

determine whether prices are calculated accurately, consistent with the provisions of the CAISO Tariff.

To the extent reasonably practicable, the CAISO shall correct erroneous prices identified through such

monitoring, and may also withhold temporarily the posting of prices as otherwise required by Section 6 if

such prices exceed the maximum and minimum CAISO Market prices provided in Section 27.1.3, and re-

run the relevant CAISO Markets prior to publication of prices on its Open Access Same-Time Information

System (OASIS) or provision of prices directly to Market Participants, if applicable.

35.2   **Timing of the Price Correction Process. Note – Propose deleting given that price**

screen in 27.1.3 is no longer in effect.]

The ISO will publish any price withheld for publication pursuant to Section 35.1 as soon as practicable,

but no later than 48 hours after the price is initially withheld. All prices for each Trading Day, including

prices initially withheld pursuant to Section 35.1, shall become subject to the CAISO's price correction

process once the CAISO publishes them on its OASIS or provides them directly to Market Participants, if

applicable. For all prices, the price correction process for each Trading Day shall end no later than the

end of 1700 hours of the fiftheighth calendar day following that Trading Day. The CAISO may establish

an earlier end-time for the price correction process in the applicable Business Practice Manual and may

complete the price correction process for any Trading Day earlier than the end-time established in this

Section 35 or in the Business Practice Manual. The CAISO shall provide notification on the CAISO

Website when it has completed the price correction process for each Trading Day. If the CAISO does not

provide such notification, the price correction process will be deemed complete at the end 1700 hours of

the eighth fifth calendar day following that Trading Day, unless an earlier time is established by the

applicable Business Practice Manual.

35.3   **Finality of Prices Subject to the Price Correction Process.**

All prices shall be considered provisional until the CAISO has completed the price correction process

regarding them. All prices for each Trading Day shall be considered final for purposes of this Section 35

once the price correction process for that Trading Day has ended. The CAISO will not make price

corrections after the price correction process time period specified in Section 35.2 has expired, except as

otherwise directed by the Federal Energy Regulatory Commission. In addition, for intervals in which the

CAISO experiences a problem with the processing or publication of prices, the CAISO will make changes to the affected prices to remedy the processing or publication problems within the time period following the applicable Trading Day as specified in the Business Practice Manual, except as otherwise directed by the Federal Energy Regulatory Commission., ~~except that the CAISO may adjust, recalculate, or otherwise correct such prices after the conclusion of the price correction process to the extent authorized by the provisions of the CAISO Tariff other than this Section 35~~.

35.4   Scope of Price Corrections.

The CAISO may correct all financially binding prices, including all prices released pursuant to Section 6, whenever the CAISO identifies an invalid market solution or invalid prices in an otherwise valid market solution. The circumstances in which the CAISO may determine that an invalid market solution or invalid prices exist include the following: the occurrence of data input failure; the occurrence of hardware or software failure; or a result that is inconsistent with the CAISO Tariff. The reposting of prices due to processing or publication issues as discussed in Section 35.3 does not constitute a price correction.

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