

California Independent System Operator Corporation  
Fifth Replacement FERC Electric Tariff  
Convergence Bidding at the Interties Amendment  
Answer to Stakeholder Comments

August 29, 2011

Party	Comment	ISO Answer
Pacific Gas & Electric	During the interim period it is essential that the position limits for convergence bidding at the interties not be increased from 5% to 25% as planned on October 1. We strongly encourage the CAISO to take all necessary steps to ensure the position limits remain at the current 5% level until the interties are removed as eligible convergence bidding nodes.	The ISO requested waiver of the relevant tariff provisions that would otherwise require the increase of position limits at the interties to 25 % on October 1. The petition for waiver is before the Commission in Docket No. ER11-4384-000. <a href="http://www.aiso.com/Documents/2011-08-26_ER11-4384_CAISO_Petition_Waiver.pdf">http://www.aiso.com/Documents/2011-08-26_ER11-4384_CAISO_Petition_Waiver.pdf</a>  Comments are due at the Commission on September 8, 2011.
NRG Energy	While the CAISO's proposed insertion of the word "Transmission" prior to "Constraints" in Section 11.2.4.6 seems completely unrelated to the elimination of convergence bidding at the interties, the CAISO's proposed modifications seem appropriate. However, these insertions beg a larger question – are there other places in the CAISO where the CAISO uses the word "constraint" when it should be using the more precise defined term "Transmission Constraint"? For example, should the CAISO be using the term "Transmission Constraint" in Sections 8.3.3.2 (g) and 11.10.1.2.1? The term "Transmission Constraint" should be used whenever the limitation relates to how much power can flow through a network element. For example, when the CAISO refers to regional constraints on the provision of Ancillary Services, do those constraints on Ancillary Services procurement stem from network power-carrying limitations? If so, those constraints should also be referred to as "Transmission Constraints".	The ISO is taking the opportunity to clean up section 11.2.4.6 in this filing because it happens to be in the area. In the last bucket filing, the ISO clarified in its tariff the use of the term Transmission Constraints. These changes were accepted by the Commission on February 28, 2011 <a href="http://www.aiso.com/Documents/February_28_2011Orderontariffrevisionsindocketno_ER11-2574-000_Tariffclarifications_.pdf">http://www.aiso.com/Documents/February_28_2011Orderontariffrevisionsindocketno_ER11-2574-000_Tariffclarifications_.pdf</a>  In this filing, it is not the ISO's intent to go through a complete review of the tariff for the use of the term constraints. Rather it merely seeks to make the clarification here given that it is in the same subsections of this part of the tariff.
Southern California Edison	Until Virtual Bids are Suspended, Position Limits on the interties must be frozen: The proposed changes in the tariff for section 30.7.3.6.3.2 (Position Limits at	See response to PG&E's question above.

	<p>Interties)1 will not lead to an immediate freeze in position limits during the FERC tariff change process. The unchanged tariff remains in effect until the FERC process concludes which means that, unless the FERC grants a waiver of the 60 day notice requirement, position limits will increase effective October 1, 2011. SCE strongly urges the CAISO file a motion with the FERC requesting that the Commission suspend the applicability of section 30.7.3.6.3 of the tariff relevant to position limits at interties.</p>	
<p>NRG Energy</p>	<p>The CAISO should affirmatively state in the definition of "Eligible PNode" that virtual bidding is not permitted at PNodes located at interties.</p>	<p>Agree to make this clarification in the tariff language.</p>