

**Turlock Irrigation District's Comments
On the CAISO's Draft Integrated Balancing
Authority Area Compliance Filing**

November 7, 2008

Pursuant to the California Independent System Operator Corporation's ("CAISO") Market Notice dated October 29, 2008, the Turlock Irrigation District ("TID") hereby submits its comments on the CAISO's draft Integrated Balancing Authority Area ("IBAA") compliance filing in FERC Docket No. ER08-113-000. As detailed in its Request for Rehearing, TID continues to contend that the CAISO's imposition of modeling and pricing requirements on the TID and SMUD control areas but not on other neighboring control areas is discriminatory and exceeds both the CAISO's and the Commission's authority.

With regard to the CAISO's proposed Tariff language in the CAISO's draft compliance filing, TID finds that the draft raises a number of questions that require clarification. The following is a list of these questions. Depending on the CAISO's responses to these questions, TID may have additional issues that require clarification.

Section 27.5.3.2 Information Required for Integrated Balancing Authority Area to Obtain Alternate Pricing under a Market Efficiency Enhancement Agreement

1. What entities are contemplated by the phrase "entities controlling supply resources within IBAA's"?
2. What is meant by the phrase "alternative pricing" for imports or exports between the IBAA to the CAISO? Is this intended to include the "actual pricing" that was referred to in the September 19, 2008 FERC IBAA Order at P 182?
3. Does the hourly information that is to be supplied pursuant to (a)-(f) have to be provided in the day ahead? If so, please explain why.
4. If an entity cannot provide all of the data contemplated in (a)-(f) does this preclude it from getting the "alternative pricing"? Please explain why or why not.
5. If an entity cannot provide the data contemplated in (a)-(f) "in a manner and timeline that is consistent with the scheduling, bidding, operational and Settlement requirements of the CAISO" does this preclude the entity from getting the "alternative pricing"? Please explain why or why not.

6. If an MEEA signatory cannot provide the data for “any organizational or financial affiliation with the MEEA signatory” does this preclude the entity from getting the “alternative pricing”? Please explain why or why not.

7. Will the CAISO be providing any of the information contemplated in Section 27.5.3.2 for its control area? For example, will the CAISO provide the counterparty to an MEEA:(a) total generation within the CAISO at each of the injection points used to model the CAISO; (b) total gross energy scheduled into the CAISO from other Balancing Areas; (c) total gross energy purchases made at delivery points within the CAIS, including: (i) purchases from third parties, and (ii) exchanges acquiring energy from third parties ; (d) total load served within the CAISO, including a calculation or estimate of load at each of the withdrawal locations used to model the CAISO; (e) total gross energy scheduled out of the CAISO into other Balancing Areas); (f) total gross energy sales made for delivery points within the CAISO, including (i) sales to third parties, and (ii) exchanges providing energy to third parties? If no, please explain why not. If so, explain how and when this is to occur.

8. If any of the data contemplated in (a)-(f) is initially provided but later determined by the MEEA signatory to be incorrect or incomplete how is this dealt with? Explain how errors and omissions are handled as well, whether they are intentional or unintentional.

27.5.3.2.2 Purchases from the CAISO Balancing Authority Area

1. Please explain the rationale for 27.5.3.2.2 (a) and where this rationale is set forth in the September 19, 2008 IBAA Order. Will the CAISO provide examples to better explain this provision?

2. Section 27.5.3.2.2 (a) appears to apply the purchases of an “IBAA entity” from the CAISO to an “MEEA entity” making sales to the CAISO at the same time why is this? What if they are two separate entities, how will this be treated? If the IBAA entity is buying a substantially smaller amount of energy from the CAISO than the MEEA entity is selling or visa versa, how are such circumstances treated? How are differences in the amounts bought and sold dealt with under this provision? What exactly does the reference to the “corresponding volume and time period” mean and how does that relate to the foregoing questions?

3. Please explain the rationale for 27.5.3.2.2 (b) and where this rationale is set forth in the September 19, 2008 IBAA Order. Will the CAISO provide examples to better explain this provision?
4. How are sales to other non-CAISO BAAs by an MEEA entity making purchases from the CAISO accounted for in the equation set forth in 27.5.3.2.2 (b)?
5. What is included in or what is exactly meant by the phrases “Load”, “Generation” “Gross Imports into IBAA” and “Gross Purchases within IBAA” in 27.5.3.2.2 (b)? Whose Load, Generation, Gross Imports and Gross Purchases?

27.5.3.3 Process for Establishing a Market Enhancement Agreement

1. Why is the CAISO filing the MEEA with FERC?
2. Why is the term only 30 days to make changes to the MEEA? What happens if it takes longer than 30 days for the requesting entity to make changes? What if there is a provision in the “form of MEEA” that the requesting entity refuses to agree with?
3. What happens if the parties cannot reach agreement on a term or condition under the MEEA?
4. 27.5.3.3 contemplates the use of Dispute Resolution under Section 13 of the CAISO Tariff, what happens if the “requesting IBAA entity” has its own dispute resolution procedures that it wants to follow?
5. Is there a “form of MEEA” that is available and if not when will such a pro forma agreement be made available?
6. To what extent will the pro forma MEEA be negotiable? Put another way, will the CAISO present a list of MEEA provisions that cannot be modified from the “form of MEEA” and if so, when will this occur? If not, why not? Please explain.

27.5.3.4 Use of Data to CAISO under a Market Efficiency Enhancement Agreement

1. Please list any and all entities and/or personnel that will or could have access to the “data concerning the configuration of supply resources” and “data concerning hourly transactions”?
2. Will the non-disclosure agreement be provided? Will everyone sign the non-disclosure agreement? Will hourly transactions data be provided to SCs that execute nondisclosure agreements? If so, why and how? If no, what measures will be taken to limit access to this information?

27.5.3.5 Measures to preserve confidentiality of data under a Market Efficiency Enhancement Agreement

1. Does an entity entering into an MEEA have to agree to the confidentiality requirements of Section 20 of the CAISO Tariff? If so, why?
2. What will occur if a party refuses to or cannot agree to the terms and conditions of Section 20 of the CAISO Tariff?

27.5.3.6 Dispute Resolution under Market Efficiency Enhancement Agreements

1. Why are disputes subject to the Dispute Resolution procedures of the CAISO Tariff?
2. Does this mean that parties signing an MEEA are required to agree to the terms and conditions of the CAISO Tariff?
3. Are MEEA sales being treated as CAISO Tariff sales? Put another way, are sales under an MEEA subject to, or made pursuant to any other provisions of the CAISO Tariff? If so, which provisions and why? Is it the CAISO’s intent that entities selling under an MEEA will be required to agree to abide by the CAISO Tariff? If so, why?
4. What happens if an entity wanting to sign an MEEA refuses to agree to one or more terms and conditions of the CAISO Tariff or cannot agree to such terms and conditions?

27.5.3.7 Audit Rights under Market Efficiency Enhancement Agreements

1. What information is contemplated by the statement “information to support the hourly information provided under Section 27.5.3.2”?
2. If a signatory to an MEEA wants to audit a price from the CAISO, will it be able to do so? If yes, what information does the CAISO contemplate providing to support the price charged?

27.5.3.8 Process for Adopting a New IBAA or Modifying an Existing IBAA

1. What will the “consultative process” contemplated in this provision include? Who will be involved? How long will it take? Will it be noticed? Provide at least an outline of the process contemplated.
2. Please provide the process “defined in the Business Practice Manuals” and explain its significance. If it has not been written yet, please describe it to the extent possible and explain why it has not been written and when it will be written.
3. What circumstances can the CAISO provide that would warrant changes to the modeling of the IBAA’s network topology or to the specification of the default Resource IDs? Would it be for example an increase in the magnitude and frequency of scheduled flows? If so, explain. What else would be considered? What degree of change would warrant the changes in the modeling and specifications? Please provide examples.

27.5.3.8.1 Factors to Be Considered in Establishing a New Integrated Balancing Authority Area or Modifying an Existing Integrated Balancing Authority Area

1. Which factors are most important on the list and which are least important and why?
2. What other factors will be considered? Please describe the factors and explain why they are to be considered.

APPENDIX C - Locational Price

G.1.1 Scheduling Point Prices

1. Please explain what you mean exactly by “a mapping to the Captain Jack substation”. Provide examples if possible.
2. Please explain what you mean by “intertie distribution factors” and provide examples to the extent possible.
3. Which Business Practice Manuals do you mean in this provision? Please provide the BPMs. If they are not written yet, please describe them in as much detail as possible. Please explain why the referenced BPMs have not been written and when they will be written.

G.1.2 Applicable Marginal Losses Adjustment

1. How will non-bid transactions be treated under this provision? For example, how will bilateral sales that use the COTP and are charged losses for the use be treated?
2. Will the CAISO or its customers be required to provide any verification, under the penalty of perjury? If so, when? If not, why not? Why is this penalty being included in this provision?
3. Please explain the rationale for the following provision:

In the event that the Scheduling Coordinator ceases to pay, or pays an amount for transmission losses to Western Area Power Administration or the Transmission Agency of Northern California that is less than the amount that the Scheduling Coordinator would otherwise have paid the CAISO for charges associated with the applicable Marginal Cost of Losses for their Schedules at the applicable Interties, the CAISO will adjust the losses charges for such Scheduling Coordinator to ensure that appropriate marginal losses are paid and determine any amounts owing from prior periods.

4. Where is this rationale is set forth in the September 19, 2008 IBAA Order. Will the CAISO provide examples to better explain this provision?
5. Does this provision mean that to the extent you pay losses that are less than those the CAISO would have charged that you pay that difference (above and beyond what you paid TANC or Western) to the CAISO?

6. What if this provision conflicts with an existing contract?