

# Memorandum

**To:** ISO Board of Governors  
**From:** Nancy Saracino, Vice President, General Counsel and Corporate Secretary  
**Date:** December 9, 2009  
**Re:** **Regulatory Update**

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*This memorandum does not require Board action.*

## **Federal Energy Regulatory Commission (FERC) matters and related decisions of the Court of Appeals**

### **Tariff amendment filings and orders**

- **Convergence bidding filings (ER10-300 and ER06-615)**

The ISO submitted two filings with FERC on November 20, 2009. First, the ISO filed a motion seeking relief from the FERC directive to implement convergence bidding by April 1, 2010. The ISO submitted evidence that additional time was necessary to develop and test convergence bidding software and that the ISO would be able to implement convergence bidding no later than February, 2011. Second, the ISO filed its convergence bidding design proposal with FERC. This filing will allow FERC to provide guidance on elements of the convergence bidding proposal in response to comments and protests of intervening parties. The ISO plans to file the tariff language in the first quarter of 2010 following a FERC order in response to the convergence bidding design filing.

Responsible Attorney: Sidney Davies

- **Generator interconnection procedure amendments (ER09-1722)**

The ISO filed a tariff amendment on September 18, 2009 to modify the financial security requirements for interconnection customers. Specifically, the amendments would reduce the initial financial security requirement, split the second installment in two, and reduce the amount of security deposit retained when a generator withdraws for certain reasons beyond its control. On November 17, 2009, FERC issued an order accepting the amendments and set the date for interconnection customers in the “Transition Cluster” to post their initial financial security within 10 business days from the date of the FERC Order, or by December 4, 2009. In its order FERC also initiated a hearing

to consider whether interconnection customers who have elected to switch deliverability status to “energy only” deserve additional relief from the financial security posting requirements.

Responsible Attorney: Bill Di Capo

- **Eligible intermittent resource amendments (ER10-319)**

On November 25, 2009, the ISO filed a tariff amendment to expand the scope of data required to be provided by wind and solar resources, and potentially other eligible intermittent resources, larger than 1 MW. The additional data requirements consist primarily of (1) extending the scope of resources subject to the obligation to install specified forecasting and telemetry equipment and to communicate relevant data to the ISO, including assessment of the forecast fee to most such resources even if they are not participating in the participating intermittent resource program, and (2) reducing the threshold for reporting a forced outage of an eligible intermittent resource with total capacity of greater than 10 MW from the current outage capacity level of 10 MW to one MW. The ISO requested an effective date of February 1, 2010 for this amendment.

Responsible Attorney: Mike Dozier

- **Grid management charge extension and rate modification (ER10-188)**

On October 30, 2009, the ISO submitted an application for approval of tariff language that would extend the grid management charge (GMC) rate design and revenue requirement cap, with one rate modification, until December 31, 2010. The sole rate modification involves the market usage-forward energy charge. Based on concerns raised by stakeholders in the prior GMC filing, the ISO initiated a stakeholder process to redesign this rate. As result of that process, the ISO has proposed to remove inter-scheduling coordinator trades from the calculation of market usage-forward energy charges for energy scheduled in the day-ahead market. In addition, the ISO also proposed to eliminate “netting” of purchases and sales (or of supply and demand) and to calculate the charge based on the greater of total supply schedules or total demand schedules. Interested parties filed interventions and comments on November 20, 2009.

Responsible Attorney: Judi Sanders

- **Real-time energy neutrality offset amendment (ER09-1781)**

On September 30, 2009, the ISO submitted a tariff amendment to exempt load and exports of load following metered subsystem (MSS) operators from the allocation of the real-time imbalance energy neutrality offset adjustment. The ISO requested an effective date of October 1, 2009, and waiver of the sixty-day notice requirement. The real-time imbalance energy offset is a neutrality adjustment—either a charge or a payment to demand—based based on whether the ISO has sufficient revenue from real-time demand market charges to compensate supply procured in the real-time market, which includes the hour ahead scheduling process (HASP). If revenues are insufficient, the ISO must charge demand. If revenues exceed the amount needed to pay supply, the ISO returns the excess to

load serving entities based on their demand. Pending the development of a longer term approach on how to reduce the extent of the imbalance offset or to allocate the offset in a manner that better aligns with cost causation principles, the ISO identified the need to exempt MSS load following demand (including exports) from the offset adjustment. On November 9, 2009 FERC accepted the ISO's tariff amendment effective as of October 1, 2009.

Responsible Attorney: Anna McKenna

- **Modification of rule limiting supply bids in the integrated forward market (ER10-28)**

On October 2, 2009, the ISO filed a tariff amendment to eliminate the rule that limited the bids that could be considered in the integrated forward market. As originally filed, the tariff only permitted bids from resources committed through the local market power mitigation process to be considered by the integrated forward market. This rule reduced the availability of bids from resources, thereby resulting in market inefficiency and potentially higher costs, particularly when bid-in demand exceeds the ISO's demand forecast. This tariff amendment will allow the integrated forward market to consider all bids. On December 1, 2009, FERC issued an order accepting this tariff amendment effective as of December 2, 2009.

Responsible Attorney: Sidney Davies

- **Exceptional dispatch tariff amendment (ER08-1178)**

On November 20, 2009, FERC issued an order addressing the rehearing and clarification requests concerning its February 20, 2009 order filed by parties other than the ISO. The order rejected the various parties' requests for rehearing and clarification with two exceptions. First, FERC clarified that exceptional dispatches need to respond to outages and derates would trigger an ISO obligation to pay for the capacity. This clarification is consistent with how the ISO implemented the February 20, 2009 order. Second, FERC granted clarification that more guidance was needed with respect to exceptional dispatch reporting requirements but indicated that it had provided that guidance in its September 2 order. FERC rejected all other rehearing and clarifications requests. Most notable was the generators' challenge to the partial unit designation for exceptional dispatch capacity compensation. FERC maintained its prior finding consistent with the ISO's position that the capacity designation should only extend up to the MW quantity identified in the exceptional dispatch that was not covered by a pre-existing capacity agreement.

Responsible Attorney: Sidney Davies

- **Reference Bus Tariff Amendment (ER09-240)**

On August 4, 2009, FERC issued an order accepting tariff revisions, subject to modification, that allow the ISO the flexibility to use a distributed generation reference bus in calculating the marginal cost of energy in cases where the integrated forward market cannot clear using a distributed load reference bus. In addition, the order also required the ISO to add specific language to its tariff that would obligate the ISO to notify market participants when a distributed reference bus is utilized and

to post on its website an informational report detailing the nodal pricing ramifications whenever a distributed generation reference bus is utilized. On September 3, 2009, the ISO submitted its compliance filing. By order dated October 28, 2009, FERC accepted the September 3, 2009 compliance filing effective as of June 6, 2009.

Responsible Attorney: Anna McKenna

- **Miscellaneous tariff clarifications-simplified ramping (ER09-556)**

FERC accepted the ISO's motion to modify the effective date of tariff revisions to implement simplified ramping from October 1, 2009 to November 5, 2009. Simplified ramping will allow the ISO to utilize the operational ramp rate rather than the regulation ramp rate when dispatching resources. On October 15, 2009, the ISO filed a status report indicating that it was on track to implement simplified ramping on November 5, 2009. On November 4, 2009, however, the ISO filed a motion seeking a one week extension to address an issue that arose during testing. FERC granted the ISO's motion by order dated November 12, 2009 and the ISO successfully implemented simplified ramping as of that date.

Responsible Attorney: Sidney Davies

- **Market disruption compliance filing (ER06-615)**

On December 3, 2009, FERC issued an order conditionally accepting the ISO's April 8, 2009 compliance filing regarding the market disruption tariff language. FERC has directed the ISO to submit a further compliance filing within 30 days in order to: (1) revise the tariff to state that the ISO will only remove bids or self-schedules that have previously caused a market disruption (not bids or self-schedules that may cause a market disruption in the future); and (2) specify that, in the event that part of a bid for a particular service needs to be removed, the ISO will remove the entire bid.

Responsible Attorney: Anna McKenna

- **Payment acceleration tariff amendment (ER09-1744)**

On November 9, FERC accepted the ISO's tariff amendment to modify the payment acceleration program to resolve a settlement imbalance issue discovered during the dry run. The charges for congestion revenue rights and the participating intermittent resource program that have a monthly settlement netting element would not settle on a neutral basis due to the switch from monthly to semi-monthly invoicing. The filing proposed modifications to allow these charges to be calculated on a daily basis and reconciled on a monthly basis in order to assure neutrality. The modifications became effective on November 1 coincident with the implementation of payment acceleration.

Responsible Attorney: Beth Ann Burns

- **Reduction in unsecured credit limit (ER09-1681)**

As part of the payment acceleration program, the ISO committed to a further reduction in unsecured credit from \$150 million to \$50 million. On September 4, 2009, the ISO filed the necessary tariff language to reduce the maximum unsecured credit limit to \$50 million effective as of January 5, 2010, the last day of cash clearing under the prior payment schedule. FERC issued an order on November 19, 2009 accepting the proposal to reduce the unsecured credit limit to \$50 million.

Responsible Attorney: Sidney Davies

### **Regulatory contracts filings and orders**

- **El Dorado Energy Pseudo Participating Generator Agreement and Nevada Power Interconnected Control Area Operating Agreement (ICAOA) amendment no. 4 (ER10-342; ER10-340)**

On December 2, 2009, the ISO filed an agreement with El Dorado Energy for a pilot pseudo-tie of the Copper Mountain Solar 1 photovoltaic generating facility to the ISO balancing authority area. As the Copper Mountain facility will be physically interconnected within the Nevada Power Company balancing authority area, the ISO also filed an amendment of its ICAOA with Nevada Power on the same date to facilitate this pseudo-tie. While the ISO currently has a pilot pseudo-tie of a conventional facility to the ISO balancing authority area, this new pilot will permit the ISO to demonstrate the feasibility of a pseudo-tie of an intermittent resource. The pseudo-tie agreement permits the ISO to treat the Copper Mountain facility for most purposes as if it were interconnected to the electric system within the ISO balancing authority area subject to the ISO's general operating authority. The ISO requested an effective date of February 1, 2010 for the agreement and amendment.

Responsible Attorney: Mike Dozier

- **Nevada Hydro Company Large Generator Interconnection Agreement (LGIA) (ER08-654) and transmission rate incentives filing (ER06-278)**

On November 2, 2009, FERC issued an order accepting the second compliance filing by the ISO and San Diego Gas & Electric Company (SDG&E) of revisions to the unexecuted LGIA with Nevada Hydro for the interconnection of its proposed Lake Elsinore Pumped Storage (LEAPS) generation project and its associated proposed transmission interconnection between the SDG&E's and Southern California Edison Company's systems. In its order, FERC rejected the protests of Nevada Hydro regarding this filing. In the same order, FERC granted the ISO's motion for clarification in the separate proceeding on Nevada Hydro's request for rate incentives for the proposed transmission interconnection. In its motion, the ISO had argued that FERC's prior grant of rate incentives to Nevada Hydro should not obviate the need for the transmission interconnection project to be studied in the ISO's transmission planning process.

Responsible attorneys: Mike Dozier (for ER08-654) and Judi Sanders (for ER06-278)

- **Bonneville Power Administration (BPA) Adjacent Balancing Authority Operating Agreement (ABAOA) and emergency assistance letter agreement (ER09-1630)**

On October 22, 2009, FERC issued an order accepting the ISO's filings of original and new versions of its ABAOA with BPA and its letter agreement for the commercial terms for emergency assistance with BPA Power Services. These agreements set forth terms for coordination of operations by the ISO and BPA as operators of adjacent balancing authority areas, including the terms under which each will provide emergency assistance to the other. The ABAOA particularly sets forth each party's responsibilities in the event of an emergency potentially affecting the reliable operation of each party's transmission facilities pursuant to the mandatory reliability standards of the North American Electric Reliability Corporation.

Responsible Attorney: Mike Dozier

- **Annual Reliability Must-Run contract filings (ER10-179, ER10-168, ER10-166 and ER10-156)**

The ISO filed interventions and comments in support of three annual reliability must-run (RMR) annual filings submitted by Mirant Potrero, Gilroy Energy Center and Dynegy Oakland respectively. The ISO also filed an intervention and limited protest in response to the annual RMR filing submitted by Dynegy South Bay. The ISO along with the CPUC and SDG&E protested certain cost items that Dynegy South Bay proposes to recover under its RMR contract.

Responsible Attorney: Sidney Davies

## **Report filings**

- **Market Disruption reports (ER06-615)**

On October 15, 2009 and November 16, 2009 the ISO submitted its monthly market disruption reports. A market disruption is an action or event that causes a failure of an ISO market, related to system operation issues or System Emergencies. Section 7.7.15 of the tariff authorizes the ISO to take one or more of a number of specified actions in the event of a market disruption, to prevent a market disruption, or to minimize the extent of a market disruption.

Responsible Attorney: Anna McKenna

- **Exceptional dispatch reports (ER08-1178)**

In response to FERC's September 2, 2009 order, the ISO now submits two monthly exceptional dispatch reports. On October 20, 2009, the ISO submitted transactional data including incremental and decremental MW volume, duration and location for exceptional dispatches occurring during the

month of July. On October 30, 2009, the ISO submitted MWh hour data and cost data for exceptional dispatches occurring during the month of July. Similarly, the ISO submitted the same information in reports filed on November 16, 2009 and November 30, 2009 for exceptional dispatches occurring in the month of August 2009.

Responsible Attorney: Sidney Davies

- **Second quarterly report regarding implementation of the new market (ER06-615)**

On October 30, 2009, the ISO filed its second quarterly report regarding the status of the ISO's new market design. The report addressed numerous criteria developed in consultation with market participants as well as specific directives required by FERC in its orders.

Responsible attorneys: Sidney Davies, Anna McKenna and Andrew Ulmer

- **Q3 2009 quarterly report re interconnection requests**

On October 30, 2009, the ISO filed its quarterly report informing FERC of the ISO's progress in processing generator interconnection requests. The reporting requirement was included FERC's order accepting the 2008 large generator interconnection reform amendments, which instituted the cluster study process and other changes to clear the backlog of interconnection requests and to ensure an efficient process going forward. The report explains that the remaining 105 transition cluster projects have completed the Phase I study milestone, and that the next cluster study window closed on July 31, with the ISO receiving 27 interconnection requests.

Responsible Attorney: Bill Di Capo

## **Complaint proceedings**

- **Default Loss Rule Complaint (EL09-62)**

On September 23, 2009, FERC issued an order in response to the June 30, 2009 complaint filed by certain sellers of electricity in the ISO markets contending that the default loss allocation rule is unjust and unreasonable. The default loss rule allocates losses from defaults on payments due the ISO to net creditors in a given settlement period. The complainants requested that FERC adopt a rule which allocates the default risk among all market participants that benefit from the ISO's markets on a strict absolute value basis. The September 23 order found that the ISO's default loss allocation tariff provisions were not just and reasonable but that sellers had not demonstrated that their alternative approach was just and reasonable. Accordingly, FERC set the matter for hearing pending settlement judge procedures. The ISO participated in settlement conferences held in October and December.

Responsible Attorney: Sidney Davies

- **Californians for Renewable Energy (CARE) v. ISO, SCE and CPUC (EL09-65)**

On October 28, 2009, FERC dismissed the complaint filed by CARE against the ISO, Southern California Edison (SCE) and the California Public Utilities Commission (CPUC). FERC found that CARE failed to provide factual support for any of the allegations set forth in the complaint and failed to meet the minimal requirements for a complaint.

Responsible Attorney: Judi Sanders

## **Rulemakings and policy statements**

- **Compliance with Order 719 organized markets rulemaking (ER09-1048)**

On November 19, 2009, FERC accepted the ISO's filing as in compliance with the directives of Order No. 719 in the areas of (1) demand response and pricing during periods of operating reserve shortage (2) long-term power contracting; (3) market monitoring policies; and governance. With regard to demand response resources, the Commission accepted the ISO's action plan outlined in its Market and Performance initiative as "an adequate roadmap to full compliance," but directed the ISO to provide demand response resources with the ability to specify the number of times they may be dispatched to different output levels during the day. With regard to market monitoring policies, FERC generally accepted the ISO's compliance filings but directed revisions in three areas. First, FERC directed the ISO either to: (a) acknowledge that the Market Surveillance Committee's role is to provide consulting services; or (b) amend the tariff to clarify that the Committee has some responsibility to carry out at least one of the core market monitoring functions. Second, FERC directed the ISO to review all of Section 37 and amend it so that only objectively identifiable tariff violations are enforced by the ISO. Third, while ISO's filing expanded the CPUC's right to request information from the ISO, the November 19 order clarifies that this right should be extended to the utility commissions of all interested states. With respect to long-term contracting, FERC found the ISO to be in compliance. Finally, FERC indicated it would schedule a technical conference to address governance issues.

Responsible Attorneys: Dan Shonkwiler, Bill Di Capo, David Zlotlow

- **NAESB Demand Response Standards (RM05-5-017)**

On October 22, 2009, the ISO/RTO Council (IRC) filed comments in response to FERC's September 17, 2009 Notice of Proposed Rulemaking in which FERC proposed to incorporate into its regulations certain business practice standards adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board (NAESB). The standards categorize wholesale electricity products and services in which demand response resources can participate and provide measurement and verification criteria for these resources in ISO and RTO energy markets. The IRC member actively participated in the development of the measurement and verification criteria and urged FERC to approve them. The IRC also urged the Commission not to establish a deadline for the development of more detailed demand response technical standards, but should allow such standards to be developed through the established NAESB process.

Responsible Attorney: Anthony Ivancovich



- **Request for comments on transmission planning (AD09-8-000)**

The ISO submitted initial comments on November 23, 2009. In its comments, the ISO described its renewable transmission planning initiative explaining that its collaboration with the statewide planning group, the California Transmission Planning Group (CTPG), addresses many of the issues raised by FERC. The ISO also noted that the Order 890 planning principles provide sufficient flexibility for the ISO and other transmission planners to be able to work together to identify potential joint infrastructure investments needed to comply with state environmental initiatives. One issue of interest concerns the right of first refusal by existing transmission owners with service territories to build transmission upgrades or additions within their service territories. The ISO tariff currently obligates participating transmission owners (PTOs) with a PTO service territory to build transmission along with a PTO right of first refusal process that is applicable under certain circumstances. In its FERC comments, as well as the renewables transmission initiative, the ISO has proposed that a right of first refusal be applied to transmission infrastructure additions deemed to be needed to reach renewable portfolio targets in the statewide transmission plan being developed in collaboration with CTPG. Other issues covered in the comments included ISO participation in regional transmission planning initiatives, consistency in transmission planning data and study assumptions, and cost allocation methodologies.

Responsible Attorney: Judi Sanders

### **Other FERC proceedings**

- **Petition for limited waiver of tariff provision (ER10-32)**

On October 5, 2009, the ISO filed a limited waiver of tariff provisions that impose “penalty” points on metered subsystem operators when their day-ahead schedules are below the ISO demand forecast or their own metered demand data. The Cities of Riverside and Vernon accrued 11 and 10 points, respectively in April, 2009, the first month of the ISO’s new market design. Once a metered subsystem operator accrues 20 points in any 12 month period, it will be subject to residual unit commitment cost allocation. Both cities provided substantial and credible evidence that the penalty points accrued in April should be waived. On November 19, 2009 FERC issued an order granting the ISO’s petition.

Responsible Attorney: Sidney Davies

- **Southern California Edison Eldorado-Ivanpah incentive rate filing (EL10-1)**

On November 2, 2009, the ISO filed comments on Southern California Edison’s October 1 petition for a declaratory order requesting FERC approval of certain rate incentives for the proposed Eldorado-Ivanpah transmission project. The ISO requested that FERC either wait to act on the petition until after the ISO has completed all applicable actions under its generator interconnection process or confirm that the FERC’s grant some or all of the incentives requested in the petition does not, in any way, pre-judge the outcomes of the ISO interconnection process. The ISO also requested that FERC clarify that the costs to develop proposed transmission projects that are not constructed

because they are not approved in the ISO interconnection process should not be entitled to “abandoned plant” cost recovery if the reason the project is not constructed is because the ISO found the project is not needed.

Responsible Attorney: Mike Dozier

- **Green Energy Express incentive rate filing (EL09-74)**

On November 23, 2009, FERC issued an order conditionally granting Green Energy Express LLC’s request for incentive rate treatment for its proposed transmission line in southern California. However, FERC conditioned Green Energy’s receipt of incentives—including abandoned plant cost recovery—on the project being approved in the ISO’s transmission planning process. FERC also stated that it was not prejudging the outcome of that planning process.

Responsible Attorney: Anthony Ivancovich

### **Appellate matters**

- **New Market Design Appeals (Court of Appeals, Case No. 07-1208)**

On October 2, 2009, the ISO filed a brief supporting FERC concerning appeals of FERC orders approving the ISO’s new market redesign. Four petitioners – Sacramento Municipal Utility District, San Diego Gas & Electric Company, the City and County of San Francisco, and the Imperial Irrigation District – challenged FERC’s approval of certain features of the new market. The challenged features include marginal losses, the assessment of losses to holders of transmission ownership rights, the use of load aggregation points, the amount of credit for the use of contractual transmission rights to satisfy local capacity requirements, the historical reference period for the allocation of congestion revenue rights (CRRs), and the issuance of only “obligation” type CRRs without also offering “option” type CRRs. The ISO’s brief was also signed by Pacific Gas & Electric Company, Southern California Edison, several NRG affiliates, and D.C. Energy. The petitioners filed their reply briefs on November 2. The Court has set oral argument for February 25, 2010.

Responsible Attorneys: Roger Collanton and Dan Shonkwiler

- **Inter-Balancing Authority Area (Court of Appeals Case No. 09-1213)**

The following parties filed petitions for review of FERC's July 30, 2009 and September 19, 2008 orders in the United States Court of Appeals for the District of Columbia Circuit: Sacramento Municipal Utility District, Modesto Irrigation District, Turlock Irrigation District, the Transmission Agency of Northern California, the City of Redding and the City of Santa Clara. These orders generally accepted the ISO’s tariff provisions concerning how adjacent balancing authority areas should be modeled and how related transactions should be calculated. The parties have filed a joint

proposal that opening briefs in the appeal be filed on March 22, 2010. If the court approves the schedule, the ISO's brief, as an intervenor in support of FERC, will be due in June 2010.

Responsible Attorneys: Roger Collanton and Dan Shonkwiler

### **California Public Utilities Commission (CPUC) matters**

#### **Ruling on Smart Grid and the Energy Independence and Security Act of 2007 (R.08-12-009)**

On November 17, 2009, the Assigned Commissioner Chong issued a proposed decision addressing issues raised by the Energy Independence and Security Act of 2007 (EISA). The proposed decision addresses five issues the CPUC believes it is required to consider under EISA. The five issues are whether a utility: (1) should be required to demonstrate that it considered a Smart Grid investment before it makes any grid investment; (2) should be allowed to recover any costs (including a reasonable rate of return) relating to the deployment of a qualified smart grid system; (3) that deploys a qualified smart grid system should recover the book value of equipment rendered obsolete by the deployment of that smart grid system; (4) should be required to provide customers with daily information regarding their energy usage (including retail and wholesale prices) and with annual information concerning the utility's sources of generation and associated greenhouse gas emissions; and (5) must provide customers with access to their information at any time through the Internet and must provide any interested person aggregated usage information. The proposed decision answers all five questions in the negative, either because the proposed standard could be counter-productive or because there are better ways to address the issue.

Responsible Attorney: David Zlotlow

#### **Southern California Edison Company's certificate of public convenience and necessity for Devers-Palo Verde No. 2 transmission project (A.05-04-015)**

On November 24, 2009, the CPUC issued a decision (dated November 20) approving Southern California Edison's construction of the California-only portion of this project, subject to certain conditions, including the ISO's further approval of that construction. The CPUC incorporated all the revisions requested by the ISO to the administrative law judge's proposed decision.

Responsible Attorney: Mike Dozier

#### **CPUC Phase 4 on Direct Participation in Demand Response (R.07-01-041)**

On November 9, Assigned Commissioner Chong issued a ruling establishing a new Direct Participation Phase (Phase 4) to this demand response proceeding to determine whether existing state laws or rules conflict with potential direct bidding by retail demand response aggregators into the ISO wholesale market. This CPUC effort is intended to address the question raised by FERC in its Order 719 that demand response resources be permitted to directly participate in ISO/RTO markets unless the laws or regulations of the relevant state regulatory authority do not permit a retail

customer to participate. The ruling proposes a CPUC decision by March 2010 so that this evaluation of state law and policy can be concluded before the ISO's anticipated implementation of the proxy demand response program, which allows direct bidding by retail demand response aggregators, in the spring 2010.

Responsible Attorney: Bill Di Capo

### **Local procurement resource adequacy rulemaking (R.09-10-032)**

On November 13 and 20, the ISO filed comments at the CPUC in response to the Order Initiating Rulemaking, issued on October 29, that initiated the proceeding for the purpose of overseeing the resource adequacy program and establishing local procurement obligations for 2011 and future years. The comments support discussion of standard capacity product issues within the scope of the proceeding in order to resolve existing issues that inhibit development and application of availability standards to the exempt resources. The comments also recommend that the CPUC retain the existing counting constraint on resource adequacy capacity that uses Path 26, and to do so without modification, because it is an effective mitigation measure.

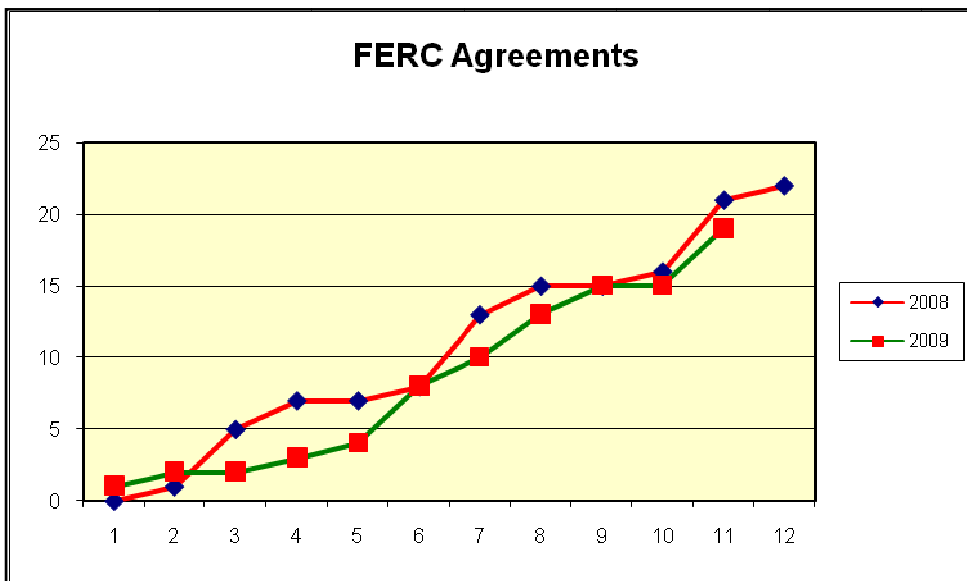
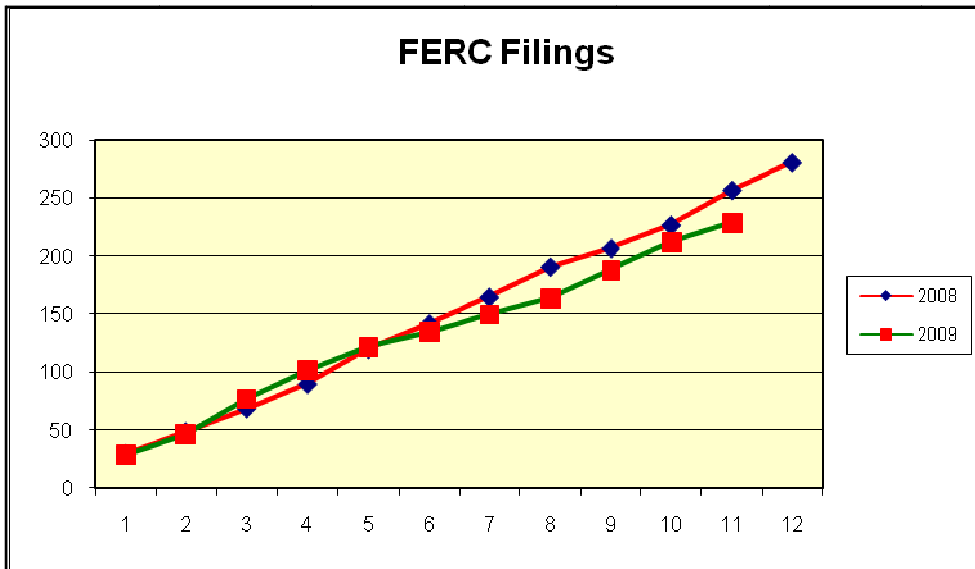
Responsible Attorney: Beth Ann Burns

### **Long-term resource adequacy rulemaking (R.05-12-13)**

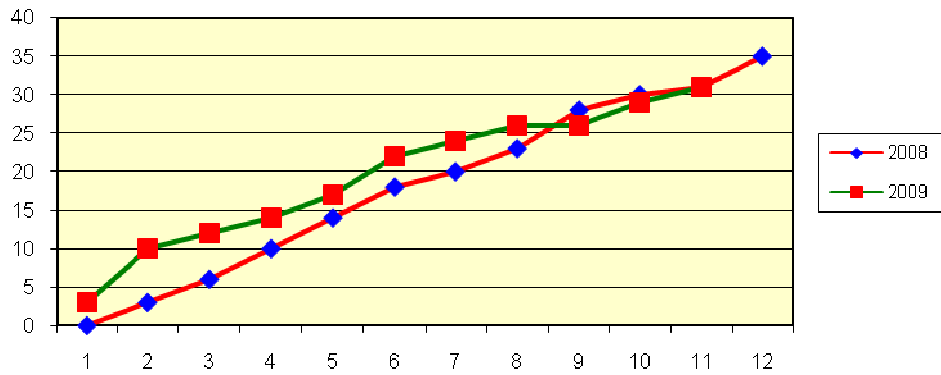
On December 2, the ISO filed comments on the CPUC proposed decision in the long-term resource adequacy proceeding. The ISO's comments agreed with the proposed decision's recommendation to adopt a multiyear forward commitment of resource adequacy capacity resources in order to support long-term resource adequacy by fostering investment in new generation and competition between new investment and existing resources to provide resource adequacy capacity. The ISO disagreed with the proposed decision's conclusion that the current bilateral contracting approach for procuring resource adequacy capacity should be maintained. The ISO advocated adoption of a central capacity market instead.

Responsible Attorney: Beth Ann Burns

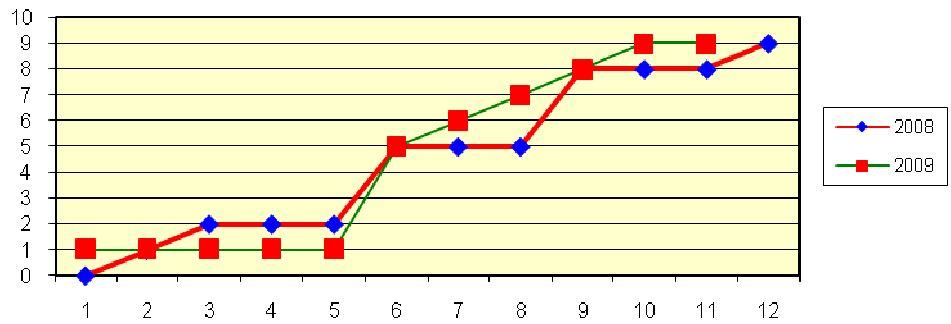
# Regulatory Filings Through November 2009



### CPUC/Other Commission Filings



### Court Filings



# Total Filings

