

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**California Independent System  
Operator Corporation**

**Docket No. ER11-4243**

**ANSWER OF CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION TO COMMENTS**

The California Independent System Operator Corporation filed an agreement with the Bonneville Power Administration (“BPA”) on August 5, 2011 to implement a limited pilot program between the ISO and BPA. This pilot program generally will involve using dynamic e-Tags and electronic communications to facilitate intra-hour changes to transmission schedules for wind generation facilities in BPA’s balancing authority area that are scheduling into the ISO’s balancing authority area. Only one intervenor, Powerex Corp., who intends to participate in the pilot program and indeed commented in support of the pilot program, filed any comment that might possibly be construed as negative. The ISO requests that the Commission not consider these comments filed by Powerex in this proceeding and accept the intra-hour pilot agreement as filed by the ISO.<sup>1</sup>

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<sup>1</sup> The ISO submits this answer pursuant to Rule 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213 (2010).

## I. ANSWER

Although a few other parties filed timely motions to intervene in this proceeding, only Powerex submitted comments on the ISO's proposed intra-hour scheduling pilot agreement that might be construed as negative.<sup>2</sup> Powerex essentially reiterates its contention that the ISO should modify Section 1.5.4 of the dynamic scheduling protocol so as not to treat dynamically scheduled non-dispatchable energy as resource-contingent firm imports.<sup>3</sup> The Commission should not consider these comments in this proceeding. Powerex raised this same concern in its comments in the ISO's stakeholder process and before the Commission with respect to the development of the dynamic transfer tariff amendments pending before the Commission in ER11-4161. No other stakeholder has raised or supported this concern in the ISO dynamic transfer stakeholder process or the ongoing proceedings before the Commission, and certainly no other party in this proceeding raised any such concern.<sup>4</sup> This is likely because the treatment which Powerex again appears to complain about is established in an existing provision of the ISO tariff that the Commission has

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<sup>2</sup> The ISO notes that Portland General Electric Company filed comments in this proceeding on September 9, 2011. The ISO has no objection to the Commission accepting these late filed comments.

<sup>3</sup> Powerex comments filed August 26, 2011, at 5-6.

<sup>4</sup> The ISO incorporates its answer to Powerex filed September 6, 2011 in ER11-4161-000 with respect to the reference by Powerex to its comments in ER11-4161-000.

previously accepted as just and reasonable and regarding which the ISO has not proposed any substantive change.<sup>5</sup>

Moreover, there is even less reason here to consider treating dynamic transfers as interruptible because BPA is providing balancing reserves that it would not normally provide for a dynamic transfer. From the other side of the scheduling horizons, Powerex now claims that the static hourly schedules of wind resources that we receive from BPA are less than firm since BPA can adjust the schedules when it runs short on balancing reserves. Intra-hour scheduling in fact addresses that by updating the half-hour schedules closer in time to the actual delivery, which increases the firmness of intra-hour schedules. The ISO's use of dynamic transfers for the intra-hour scheduling pilot is set up in such a way that the ISO can use existing market mechanisms. However, operationally to BPA (which is providing the reserves), these are firm schedules that are static deliveries for the half-hour periods. As a result, Powerex's comments are misplaced.

The pilot program, which relies on ISO and BPA cooperation with respect to allocations of reserve and balancing requirement variations within and between the half-hour intervals, is expected to demonstrate an improved mechanism for more reliable dynamic transfers of intermittent resources. As a result, the pilot program is expected to benefit market participants in both the ISO and BPA balancing authority areas.

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<sup>5</sup> The Commission accepted this provision treating dynamically scheduled energy as resource-contingent firm imports in Docket No. ER04-793 addressing a prior ISO tariff amendment to implement dynamic scheduling.

## II. CONCLUSION

ISO requests that the Commission reject the potentially negative comments suggested by Powerex and accept the intra-hour pilot agreement as filed.

Respectfully submitted,

**By: /s/ John C. Anders**

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Dated: September 12, 2011

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above referenced proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2011).

Dated at Folsom, California this 12<sup>th</sup> day of September, 2011.

*/s/ Anna Pascuzzo*

Anna Pascuzzo