

April 22, 2010

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: Errata to Amendments to the FERC Electric Tariff of the California Independent System Operator Corporation to Institute Make Whole Mechanism for Demand Subject to Price Corrections**

**Docket No. ER10-966-000**

Dear Secretary Bose:

On March 31, 2010, the California Independent System Operating Corporation (the ISO) filed with the Federal Energy Regulatory Commission (Commission) proposed amendments to the ISO FERC Electric Tariff to implement the make whole mechanism for demand subject to price corrections.

In review of the filed documents after filing, the ISO discovered that the version of the tariff sheets showing the new language and deletions were inadvertently filed in a format that is not consistent with requirements on form and style of rate schedules in Section 35.10 (c) of the Commission regulations.<sup>1</sup> Section 35.10 (c) requires that a version of the tariff be submitted showing the proposed additions and deletions. In this additional version, new language must be marked by either highlighting, background shading, bold text, or underlined text. The ISO normally submits this version of its tariff sheets showing the addition of new language as underlined text. However, in this case, the ISO inadvertently submitted this additional version showing the added language in a lighter font shade. The ISO is therefore resubmitting the additional version of the tariff sheets required under Section 35.10 (c) showing the new proposed language in underlined text.<sup>2</sup>

<sup>1</sup> 18 CFR ¶ 35.10 (c) (2009).

<sup>2</sup> The ISO notes that the rates schedules tariff sheets were filed consistent with Section 35.10 (b) of the Commission regulations and the ISO is not modifying these tariff sheets in any way through this errata.

The ISO requests that the Commission accept this Errata to its filing and that the tariff sheets as filed on March 31, 2010, be accepted by the Commission with an effective date of June 1, 2010.

Respectfully submitted,



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**Attachment B - Blacklines**  
**Price Corrections Make Whole Payments**  
**Fourth Replacement CAISO Tariff**  
**March 31, 2010**

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#### **11.2.1.2 IFM Charges for Demand at LAPS.**

For each Settlement Period that the CAISO clears Energy transactions in the IFM, except as specified in Section 30.5.3.2 and except for Participating Loads, which shall be subject to the charges specified in 11.2.1.3, the CAISO shall charge Scheduling Coordinators for the MWh quantity of Demand scheduled at an individual LAP in the Day-Ahead Schedule, in an amount equal to the IFM LMP for the applicable LAP multiplied by the MWh quantity scheduled in the Day-Ahead Schedule at the relevant LAP. [For Scheduling Coordinators whose Demand scheduled at the individual LAP is subject to an upward price correction as specified in Section 11.21, the CAISO will use the Price Correction Derived LMP to settle the MWh quantity of Demand scheduled in the Day-Ahead Schedule at the relevant LAP.](#)

#### **11.2.1.3 IFM Charges for Demand by Participating Loads, Including Aggregated Participating Load.**

For each Settlement Period that the CAISO clears Energy transactions in the IFM for Demand by Participating Loads, the CAISO shall charge the Scheduling Coordinators an amount equal to the MWh quantity of Demand scheduled in the Day-Ahead Schedule for the relevant Participating Load at the PNode (or Custom LAP, in the case of Aggregated Participating Load), multiplied by the IFM LMP at that PNode (or Custom LAP, in the case of Aggregated Participating Load). [For Scheduling Coordinators whose Demand scheduled at the individual PNode or Custom LAP is subject to an upward price correction as specified in Section 11.21, the CAISO will use the Price Correction Derived LMP to settle the MWh quantity scheduled in the Day-Ahead Schedule for that Scheduling Coordinator at the relevant PNode or Custom LAP.](#)

#### **11.2.1.4 IFM Charges for Energy Exports at Scheduling Points.**

For each Settlement Period that the CAISO clears Energy transactions in the IFM, the CAISO shall charge Scheduling Coordinators for the Energy export MWh quantity at individual Scheduling Points scheduled in the Day-Ahead Schedule, an amount equal to the IFM LMP for the applicable Scheduling Point multiplied by the MWh quantity at the individual Scheduling Point scheduled in the Day-Ahead Schedule. [For Scheduling Coordinators whose exports scheduled at the individual Scheduling Points is subject to an upward price correction as specified in Section 11.21, the CAISO will use the Price](#)

Correction Derived LMP to settle the MWh quantity of Energy exports scheduled in the Day-Ahead Schedule at the relevant Scheduling Point.

\* \* \*

#### **11.4.1 HASP Settlement for Exports.**

For each Settlement Period that the CAISO clears Energy transactions at Scheduling Points in HASP, the Settlement for such transactions will be the CAISO HASP Intertie LMP multiplied by the MWh quantity of export scheduled at the individual Scheduling Point in excess of or less than the Day-Ahead Schedule, respectively. For Scheduling Coordinators whose exports scheduled at the individual Scheduling Point is subject to an upward price correction as specified in Section 11.21, the CAISO will use the Price Correction Derived LMP to settle the MWh quantity of Energy exports scheduled in the Day-Ahead Schedule at the relevant Scheduling Point.

\* \* \*

#### **11.21 ~~[Not Used]~~ Make Whole Payments for Price Corrections**

##### **11.21.1 CAISO Demand and Exports**

If the CAISO corrects an LMP in the upward direction pursuant to Section 35 that impacts Demand in the Day-Ahead Market and the HASP such that either a portion of or the entire cleared CAISO Demand or Export Bid curve becomes uneconomic, then the CAISO will calculate and apply the Price Correction Derived LMP for settlement of CAISO Demand and exports for the affected resource in Section 11.2.1.2 and 11.2.1.4. The CAISO will calculate a Price Correction Derived LMP for each affected resource as follows: the total cleared MWhs of CAISO Demand or export in the Day-Ahead Schedule or HASP Intertie Schedule, as applicable, multiplied by the corrected LMP, minus the make-whole payment amount, all of which is divided by the total cleared MWhs of CAISO Demand or export in the Day-Ahead Schedule or HASP Intertie Schedule, as applicable. The make-whole payment amount will be calculated on an hourly basis determined by the area between the resource's CAISO Demand or Export Bid curve and the corrected LMP, which is calculated as the MWhs each of the cleared bid segment in the Day-Ahead Schedule or HASP Intertie Schedule for the affected resource, multiplied by the maximum of zero or the corrected LMP minus the bid segment price.

11.21.2 [Not Used]

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**Appendix A**  
**Master Definition Supplement**

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Price Correction Derived  
LMP

The applicable resource specific settlement LMP calculated pursuant to Section 11.21 for resources impacted by price corrections in the upward direction consistent with Section 35.

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## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 21<sup>st</sup> day of April, 2010.

  
Jane Ostapovich