CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

FERC ELECTRIC TARIFF

FIRST REPLACEMENT VOLUME NO. I

2<sup>nd</sup> Substitute First Revised Sheet No. 205

Superseding Original Sheet No. 205

7.2.6.1.3 [Not Used]

7.2.6.1.4 [Not Used]

7.2.6.1.5 [Not Used]

7.2.6.1.6 [Not Used]

**7.2.6.2** Intra-Zonal Congestion During Initial Period. Except as provided in Sections 5.2, the ISO

will perform Intra-Zonal Congestion Management in real time using available Adjustment Bids and

Imbalance Energy bids, based on their effectiveness and in merit order, to minimize the cost of alleviating

Congestion. If the Adjustment Bid or Imbalance Energy bid from a Generating Unit the ISO must Dispatch

to manage Intra-Zonal Congestion is not the next bid in merit order, the ISO shall set the price of that bid

equal to the proxy price of that Generating Unit as determined in accordance with Section 2.5.23.3.4 and

Dispatch that Generating Unit pursuant to that adjusted bid to manage Intra-Zonal Congestion. The

Scheduling Coordinator for that Generating Unit shall then be 1) paid the higher of its proxy price as

determined in accordance with Section 2.5.23.3.4 or the BEEP Interval Ex Post Price for incremental

Dispatch, or 2) charged the lower of its proxy price as determined in accordance with Section 2.5.23.3.4 or

the BEEP Interval Ex Post Price for decremental Dispatch. In the event no Adjustment Bids or Imbalance

Energy bids are available, the ISO will exercise its authority to direct the redispatch of resources as

allowed under the Tariff, including Section 2.4.4.

**7.2.6.3** Cost of Intra-Zonal Congestion Management. The net of the amounts paid by the ISO to

the Scheduling Coordinators and the amounts charged to the Scheduling Coordinators will be calculated

and charged to all Scheduling Coordinators through a Grid Operations Charge, as described in Section

7.3.2.

Issued by: Charles F. Robinson, Vice President and General Counsel

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