

December 19, 2012

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: California Independent System Operator Corporation,
Docket No. ER12-2669-000
Replacement Requirement for RA Maintenance Outages

Dear Secretary Bose:

The California Independent System Operator Corporation (“ISO”) electronically submits this filing in compliance with the Federal Energy Regulatory Commission’s November 19, 2012 Order Conditionally Accepting Tariff Revisions in the above-referenced proceeding.¹ The Commission’s order conditionally accepted the ISO’s proposed tariff amendments to implement a replacement requirement for resource adequacy resources scheduled to take an approved maintenance outage during the resource adequacy month; subject to the ISO’s submission of a compliance filing to remove the proposed backstop mechanism for unreplaced outages.

I. Background

On September 20, 2012, the ISO filed proposed amendments to its tariff that will allow the ISO to better coordinate maintenance outages at resource adequacy resources, while ensuring that sufficient resource adequacy capacity is operationally available to the ISO each day to meet forecasted load and maintain grid reliability. The tariff modifications establish a replacement requirement for the scheduling coordinators of load serving entities, to the extent the ISO determines, under specified criteria, that resource adequacy capacity listed in their monthly plans must be replaced because it is scheduled for an approved maintenance outage during the month and will not be operationally available to the ISO. The tariff modifications establish a replacement requirement for the operators of resources providing resource adequacy capacity that increases the likelihood that a request to take a maintenance outage during the month the resources are listed to provide resource adequacy service will be approved if the

¹ *California Independent System Operator Corporation*, 141 FERC ¶ 61,135 (November 2012) (“November 19 Order”).

request includes equivalent replacement capacity; otherwise the outage may be accommodated during off-peak hours or upon short notice if system conditions permit and there is no detrimental effect on the efficient use and reliable operation of the grid.

The tariff modifications also proposed to establish a new backstop mechanism for the ISO to procure backstop capacity limited to the day or days when resource adequacy capacity specified in a load serving entity's monthly resource adequacy plan will be offline for a maintenance outage and when the ISO determined that replacement was necessary, but the capacity was not replaced.

As part of its November 19 Order, the Commission found that the ISO could use its existing capacity procurement mechanism authority to backstop such outages and directed the ISO to submit a compliance filing within 30 days from the date of the order that deletes the tariff revisions for the resource adequacy maintenance outage backstop mechanism.

II. Proposed Tariff Modifications On Compliance

Pursuant to the Commission's November 19 Order, the ISO submits the following changes to its tariff:

- (1) Sections 9.3.1.3.1.4(c), 9.3.1.3.2.5, 40.4.7.1(d), and 40.7(b) are modified to delete the reference to RA Maintenance Outage Backstop Capacity and instead refer to the ISO's authority to procure backstop capacity under the capacity procurement mechanism pursuant to Section 43;
- (2) The title of Section 43 is changed back to its original wording;
- (3) Section 43.10, RA Maintenance Outage Backstop Capacity Procurement is deleted in its entirety; and
- (4) The definition of RA Maintenance Outage Backstop Capacity is deleted.

III. Materials Provided In This Compliance Filing

The following documents, in addition to this transmittal letter, support the instant filing:

Attachment A: Revised ISO tariff sheets – clean

Attachment B: Revised ISO tariff sheets – blackline

IV. Conclusion

The ISO respectfully requests that the Commission accept this filing as complying with the directives of the Commission's November 19 Order.

Respectfully submitted,

/s/ Beth Ann Burns _____

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Attachment A – Clean Tariff

Replacement Requirement for RA Maintenance Outages Compliance Filing

California Independent System Operator

Fifth Replacement FERC Electric Tariff

December 19, 2012

9. Outages

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9.3 Coordination Of Outages And Maintenance

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9.3.1.3 Coordinating Maintenance Outages of RA Resources

In performing outage coordination management under Section 9, and this Section 9.3.1.3, the CAISO Outage Coordination Office may take into consideration the status of a Generating Unit as a Resource Adequacy Resource. The CAISO Outage Coordination Office may deny, reschedule or cancel an Approved Maintenance Outage for facilities that comprise the CAISO Controlled Grid or Generating Units of Participating Generators if it determines that the outage is likely to have a detrimental effect on the availability of Resource Adequacy Capacity or the efficient use and reliable operation of the CAISO Controlled Grid or the facilities of a Connected Entity.

9.3.1.3.1 Replacement Requirement for LSEs

9.3.1.3.1.1 LSE RA Plans

Each Scheduling Coordinator for a Load Serving Entity shall submit to the CAISO a monthly Resource Adequacy Plan that meets the requirements set forth in Sections 40.2.2.4 or 40.2.3.4, as applicable. Resource Adequacy Capacity included in the monthly Resource Adequacy Plan that, as of the due date for the plan, is scheduled to take an Approved Maintenance Outage during the period of designation may be subject to replacement. To the extent that a resource included in a monthly Resource Adequacy Plan as Resource Adequacy Capacity is scheduled to take an Approved Maintenance Outage for all or portion of its capacity during the resource adequacy month, the capacity scheduled for outage is not operationally available to the CAISO and may be required by the ISO to be replaced with capacity from another resource(s) that is operationally available in the amount and for the duration of the scheduled outage during that month, as discussed in Sections 9.3.1.3.2.2 through 9.3.1.3.2.5.

9.3.1.3.1.2 RA Resource Pending Maintenance Outage Requests

If a Resource Adequacy Resource requested a planned Maintenance Outage, or change to an Approved Maintenance Outage, more than forty-five days in advance of the resource adequacy month but does not receive approval or denial of the request by the CAISO Outage Coordination Office as of the due date for the Resource Adequacy Plans and Supply Plans, the CAISO Outage Coordination Office, as part of the validation under Sections 9.3.1.3.2.3 and 40.7(b), will determine whether the outage should be approved and, if so, whether it must be replaced in the Resource Adequacy Plan with capacity from another resource that is operationally available in the amount and for the duration of the scheduled outage during the month. Notwithstanding this provision, for the resource adequacy month of January 2013, if a Resource Adequacy Resource requested a planned Maintenance Outage, or change to an Approved Maintenance Outage, more than forty-two days in advance of the resource adequacy month but does not receive approval or denial of the request by the CAISO Outage Coordination Office as of the due date for the Resource Adequacy Plans and Supply Plans, the CAISO Outage Coordination Office, as part of the validation under Sections 9.3.1.3.2.3 and 40.7(b), will determine whether the outage should be approved and, if so, whether it must be replaced in the Resource Adequacy Plan with capacity from another resource that is operationally available in the amount and for the duration of the scheduled outage during the month.

9.3.1.3.1.3 Optional List of Specified RA Replacement Capacity

A Scheduling Coordinator for a Load Serving Entity may include with a monthly Resource Adequacy Plan a list of Specified RA Replacement Capacity for the CAISO's use as RA Replacement Capacity to replace specific Resource Adequacy Capacity identified by the Load Serving Entity that is in its plan and that is scheduled to take an Approved Maintenance Outage during the month, as provided in Sections 9.3.1.3.2.2 and 40.2.2.4. If the Scheduling Coordinator for a Load Serving Entity opts to include a list of Specified RA Replacement Capacity, the CAISO, in its discretion, will use the specified capacity as RA Replacement Capacity to automatically replace the identified Resource Adequacy Capacity included in that Load Serving Entity's

Resource Adequacy Plan in the amount and for the days specified by the Load Serving Entity that the Resource Adequacy Resource is scheduled to take an Approved Maintenance Outage during the month. The Specified RA Replacement Capacity will not be subject to the must-offer obligations in Section 40.6 nor the standard capacity product provisions in Section 40.9, unless the specified capacity is used by the CAISO as RA Replacement Capacity as provided in Section 9.3.1.3.2.2. The list of Specified RA Replacement Capacity included with a monthly Resource Adequacy Plan shall:

- (a) Identify the resource being replaced,
- (b) Identify the resource that will provide the Specified RA Replacement Capacity, the MW amount and time period of the replacement, and other information as may be required in the Business Practice Manual, and
- (c) Be submitted in the format required by the Business Practice Manual.

9.3.1.3.1.4 Optional List of Non-Specified RA Capacity

A Scheduling Coordinator for a Load Serving Entity may include with a monthly Resource Adequacy Plan a list of Non-Specified RA Capacity for the CAISO's use as RA Replacement Capacity to replace Resource Adequacy Capacity included in that Load Serving Entity's monthly Resource Adequacy Plan that is scheduled to take an Approved Maintenance Outage during the month, as provided in Sections 9.3.1.3.2.3, 9.3.1.3.2.4 and 40.2.2.4. If the Scheduling Coordinator for a Load Serving Entity opts to include a list of Non-Specified RA Capacity in its plan, the CAISO, in its discretion, will select capacity from the list and use the selected capacity as RA Replacement Capacity to automatically replace Resource Adequacy Capacity included in that Load Serving Entity's Resource Adequacy Plan in the amount and for the days on which the CAISO's validation of the plan determines that the designated capacity scheduled to take an Approved Maintenance Outage during the resource adequacy month must be replaced. The listed Non-Specified RA Capacity will not be subject to the must-offer obligations in Section 40.6 nor the standard capacity product provisions in Section 40.9, unless the Non-Specified Capacity is selected by the CAISO and used as RA Replacement Capacity as provided in Section

9.3.1.3.2.4. The list of Non-Specified RA Capacity included with a monthly Resource Adequacy Plan shall:

- (a) Rank each resource that has available Non-Specified RA Capacity in the order of use preferred by the Load Serving Entity;
- (b) Provide the identity of the resource, the MW amount of available capacity, the time periods when the capacity is available, and other information as may be specified in the Business Practice Manual;
- (c) Indicate the willingness of the Load Serving Entity to offer each resource that has available Non-Specified RA Capacity for procurement as backstop capacity under the Capacity Procurement Mechanism pursuant to Section 43; and
- (d) Be submitted in the format required by the Business Practice Manual.

9.3.1.3.2 CAISO Replacement Determination For LSE RA Plans

9.3.1.3.2.1 Review of LSE RA Plans

The CAISO shall review each monthly Resource Adequacy Plan pursuant to Section 40.7(b) to validate that the capacity provided is equal to or greater than the applicable forecasted monthly Demand and Reserve Margin for the Load Serving Entity and shall provide the results of this review to the Local Regulatory Authority. Additionally, the CAISO will review each monthly Resource Adequacy Plan to identify any Resource Adequacy Capacity included in the plan that will not be operationally available to the CAISO due to an Approved Maintenance Outage scheduled to occur during the month.

9.3.1.3.2.2 Replacement By Specified RA Replacement Capacity

If the review performed by the CAISO under Section 9.3.1.3.2.1 validates that a monthly Resource Adequacy Plan includes no capacity that will be operationally unavailable to the CAISO due to an Approved Maintenance Outage scheduled to occur during the month, no replacement by Specified RA Replacement Capacity will occur. If the review performed by the CAISO under Section 9.3.1.3.2.1 validates that a monthly Resource Adequacy Plan includes capacity that will not be operationally available to the CAISO due to an Approved Maintenance Outage scheduled to occur during the month, and the Load Serving Entity has provided a list of Specified RA

Replacement Capacity, then the CAISO will verify that the Specified RA Replacement Capacity is available during the specified replacement period and will replace the unavailable capacity in that Load Serving Entity's Resource Adequacy Plan with the available Specified RA Replacement Capacity. The CAISO will not accept any Specified RA Replacement Capacity that is unavailable during the specified replacement period. The CAISO will notify the Scheduling Coordinator for the Load Serving Entity and Scheduling Coordinator for the resource providing the Specified RA Replacement Capacity that the Specified RA Replacement Capacity has been accepted as RA Replacement Capacity. The Scheduling Coordinator for the resource providing the Specified RA Replacement Capacity must verify their agreement to provide the Specified RA Replacement Capacity. For the duration of the period that the resource is providing Specified RA Replacement Capacity, the resource shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the must-offer obligations in Section 40.6 and the standard capacity product provisions in Section 40.9, for the MW amount and duration of the outage replacement period, which includes the full day of the start date and the full day of the end date of the outage.

9.3.1.3.2.3 CAISO Replacement Determination

Following replacement by Specified RA Replacement Capacity, the CAISO will determine whether Load Serving Entities are required to replace any capacity remaining in their monthly Resource Adequacy Plans that will not be operationally available to the CAISO due to an Approved Maintenance Outage scheduled to occur during the month. The CAISO will make the replacement determination as follows:

- (a) For each day of the month, the CAISO will calculate the System Total Available RA Capacity provided in the Resource Adequacy Plans and compare that MW amount to the CAISO system RA Reliability Margin.
- (b) For each day of the month where the System Total Available RA Capacity provided in the Resource Adequacy Plans exceeds the CAISO system RA Reliability Margin, the CAISO may determine that no further replacement is required.

- (c) For each day of the month where the System Total Available RA Capacity provided in the Resource Adequacy Plans is less than the CAISO system RA Reliability Margin, the CAISO may require replacement of the Resource Adequacy Capacity scheduled to take an Approved Maintenance Outage, as provided in Sections 9.3.1.3.2.3 and 9.3.1.3.2.4. When replacement is required, the Scheduling Coordinator for each Load Serving Entity that did not include in its Resource Adequacy Plan available Resource Adequacy Capacity for the day in a MW amount equal to or greater than the applicable forecasted monthly Demand and Reserve Margin for that Load Serving Entity will be required to provide the RA Replacement Capacity.
- (d) When replacement is required under Section 9.3.1.3.2.3(c), the CAISO will consider whether the Resource Adequacy Capacity scheduled to take an Approved Maintenance Outage requires replacement in the reverse order of the dates on which the outage requests were received. The Resource Adequacy Capacity subject to the most recently requested Approved Maintenance Outages will require replacement before the Resource Adequacy Capacity subject to Approved Maintenance Outages that were requested on earlier dates. Any request for a change to an Approved Maintenance Outage that extends the scheduled duration of the outage or increases the MW amount of capacity on outage will be treated as a new outage request.
- (e) Beginning with the date of the most recent request to take an Approved Maintenance Outage during the month, the CAISO will either replace the unavailable Resource Adequacy Capacity with Non-Specified RA Replacement Capacity under Section 9.3.1.3.2.4 or will require the Scheduling Coordinator for the Load Serving Entity to replace the unavailable Resource Adequacy Capacity under Section 9.3.1.3.2.5. The CAISO will continue this replacement process in reverse order of the dates on which the requests to take the Approved Maintenance Outages were received until sufficient unavailable Resource

Adequacy Capacity has been replaced each day to meet the criteria set forth in Section 9.3.1.3.2.3(b).

9.3.1.3.2.4 Replacement By Non-Specified RA Replacement Capacity

For each day of the month where the CAISO determines under Section 9.3.1.3.2.3 that replacement is required of Resource Adequacy Capacity scheduled to take an Approved Maintenance Outage, the CAISO may replace the unavailable capacity with Non-Specified RA Replacement Capacity as follows:

- (a) The CAISO will identify each Load Serving Entity that did not include in its monthly Resource Adequacy Plan available Resource Adequacy Capacity for each day in a MW amount equal to or greater than its applicable forecasted monthly Demand Reserve Margin, and will verify whether each such Load Serving Entity provided a list of Non-Specified RA Replacement Capacity with its plan.
- (b) To the extent that a Load Serving Entity provided a list of Non-Specified Replacement Capacity, the CAISO during the replacement process set forth in Section 9.3.1.3.2.3 will select capacity, in its discretion, from the list and use the selected capacity as RA Replacement Capacity to automatically replace unavailable Resource Adequacy Capacity included in that Load Serving Entity's Resource Adequacy Plan for each day where the CAISO determines that replacement is required.
- (c) The CAISO will verify whether the Non-Specified RA Replacement Capacity on each list is available during the replacement period and replace the unavailable capacity in the Resource Adequacy Plan with available Non-Specified RA Replacement Capacity. The CAISO will not accept Non-Specified RA Replacement Capacity that is unavailable during the replacement period.
- (d) The CAISO will notify the Scheduling Coordinator for the Load Serving Entity and the Scheduling Coordinator for the resource providing the Non-Specified RA Replacement Capacity that the Non-Specified RA Replacement Capacity has

been selected as RA Replacement Capacity. The Scheduling Coordinator for the resource providing the Non-Specified RA Replacement Capacity must verify their agreement to provide the Non-Specified RA Replacement Capacity.

- (e) For the duration of the period that the Non-Specified RA Capacity is providing RA Replacement Capacity, it shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the must-offer obligations in Section 40.6 and the standard capacity product provisions in Section 40.9 for the MW amount and duration of the replacement period, which includes the full day of the start date and the full day of the end date of the outage.

9.3.1.3.2.5 Unreplaced Capacity In An RA Plan

Following replacement by Non-Specified Capacity, for each day of the month where the criteria set forth in Section 9.3.1.3.2.3(b) is not met, and where the Load Serving Entity either did not provide Non-Specified RA Replacement Capacity, or the Non-Specified RA Replacement Capacity it provided was already selected by the CAISO, was insufficient, or was unavailable during the replacement period, the Scheduling Coordinator for the Load Serving Entity will have a replacement requirement. The CAISO will notify the Scheduling Coordinator for the Load Serving Entity of the replacement requirement and will identify the MW amount of capacity remaining in its Resource Adequacy Plan that will be operationally unavailable to the CAISO due to an Approved Maintenance Outage on that day and that it is required to replace. The CAISO will treat the unreplaced capacity as an outage replacement requirement pursuant to Section 40.7(b). If the Scheduling Coordinator for the Load Serving Entity does not provide sufficient operationally available RA Replacement Capacity to meet the replacement requirement identified by the CAISO, and the resource does not reschedule or cancel the outage after its Supply Plan is submitted, the CAISO may exercise its authority to procure backstop capacity under the Capacity Procurement Mechanism pursuant to Section 43.

9.3.1.3.3 Replacement Requirement for RA Resources

9.3.1.3.3.1 RA Maintenance Outage Requests With Replacement

After the monthly Supply Plan has been submitted, the Operator of a Resource Adequacy Resource designated as Resource Adequacy Capacity during the resource adequacy month may request that a planned Maintenance Outage be scheduled, or an Approved Maintenance Outage be rescheduled, as an RA Maintenance Outage With Replacement during that month. A request for an RA Maintenance Outage With Replacement must (i) be submitted to the CAISO Outage Coordination Office at least three Business Days prior to the start of the outage, (ii) provide RA Replacement Capacity in an amount no less than the Resource Adequacy Capacity designated for the resource for the duration of the scheduled outage, and (iii) otherwise comply with the requirements set forth in Section 9. The CAISO Outage Coordination Office will consider requests for an RA Maintenance Outage With Replacement in the order the requests are received. The CAISO Outage Coordination Office may approve the request if the outage includes the required RA Replacement Capacity and meets the criteria set forth in this Section 9.3.1.3.3.1 and Section 9.3.6.4.1. The RA Replacement Capacity for an RA Maintenance Outage With Replacement shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the must-offer obligations in Section 40.6 and the standard capacity product provisions in Section 40.9, for the MW amount and duration of the outage replacement period, which includes the full day of the start date and the full day of the end date of the outage. The CAISO Outage Coordination Office may deny a request for an RA Maintenance Outage With Replacement that is not timely submitted and/or does not provide the required RA Replacement Capacity for the outage, or may treat it as a request for a Short-Notice Opportunity RA Maintenance Outage under Section 9.3.1.3.3.3.

9.3.1.3.3.2 Off-Peak Opportunity RA Maintenance Outages

The Operator of a resource designated as Resource Adequacy Capacity during the resource adequacy month may submit a request for an Off-Peak Opportunity RA Maintenance Outage from ten days prior to the start of month until three business days prior to the end of the month,

without a requirement to provide RA Replacement Capacity for the unavailable capacity for the duration of the outage. A request for an Off-Peak Opportunity RA Maintenance Outage must (i) be submitted to the CAISO Outage Coordination Office at least three Business Days prior to the start date for the outage, (ii) schedule the outage to begin during off-peak hours (as specified in the Business Practice Manual) on a weekday, and to be completed prior to on-peak hours (as specified in the Business Practice Manual) the following weekday, or to begin during off-peak hours (as specified in the Business Practice Manual) on Friday, or on Saturday, Sunday, or a holiday, and to be completed prior to on-peak hours (as specified in the Business Practice Manual) on the next weekday, and (iii) otherwise comply with the requirements set forth in Section 9. The CAISO Outage Coordination Office will consider requests for an Off-Peak Opportunity RA Maintenance Outage in the order the requests were received. The CAISO Outage Coordination Office may approve the request if (i) system conditions and the overall outage schedule provide an opportunity to take the resource out of service without a detrimental effect on the efficient use and reliable operation of the CAISO Controlled Grid, and (ii) it otherwise meets the criteria set forth in Section 9. To the extent that an approved Off-Peak Opportunity RA Maintenance Outage is not completed during off-peak hours as scheduled, and extends into on-peak hours, the portion of the outage that extends into on-peak hours will be treated as a Forced Outage.

9.3.1.3.3.3 Short-Notice Opportunity RA Maintenance Outages

After the due date for the monthly Resource Adequacy Plans and Supply Plans and until the end of the resource adequacy month, the Operator of a resource designated as Resource Adequacy Capacity during the month may submit a request for a planned Maintenance Outage or a request to change an Approved Maintenance Outage that is not timely under the provisions of Section 9 and/or does not provide replacement capacity. The CAISO Outage Coordination Office may, at its discretion, deny the request, or approve the request as a Short-Notice Opportunity RA Maintenance Outage; provided that the CAISO Outage Coordination Office has adequate time to analyze the request before the outage begins and the analysis determines that (i) system conditions and the overall outage schedule provide an opportunity to take the resource out of

service without a detrimental effect on the efficient use and reliable operation of the CAISO Controlled Grid, and (ii) the outage has not already commenced as a Forced Outage. The CAISO Outage Coordination Office will consider Short-Notice Opportunity RA Maintenance Outages in the order the requests are received. To the extent that an approved Short-Notice Opportunity RA Maintenance Outage is not completed during the originally approved outage schedule, the portion of the outage that continues from the approved completion time until the time the outage is actually completed will be treated as a Forced Outage.

9.3.1.3.4 Replacement Requirement Information

In order to make information available to Market Participants pertinent to the replacement requirement provisions in Section 9.3.1.3, the CAISO will:

- (a) Annually post on the CAISO Website a calendar of the timeline of due dates for each month of the following resource adequacy compliance year; and
- (b) Provide the opportunity for Market Participants to post and view information on an electronic bulletin board about non-Resource Adequacy Capacity and Non-Designated RA Capacity that may be needed or available as RA Replacement Capacity in the bilateral market. Use of the bulletin board is voluntary and limited to use for informational purposes only.

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40. Resource Adequacy Demonstration for All SCs In The CAISO BAA

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40.4.7.1 Schedule for Submission of Supply Plans

Scheduling Coordinators representing Resource Adequacy Resources supplying Resource Adequacy Capacity shall provide the CAISO with annual and monthly Supply Plans, as follows:

- (a) The annual Supply Plan shall be submitted to the CAISO on the schedule set forth in the Business Practice Manual and shall verify their agreement to provide Resource Adequacy Capacity during the next Resource Adequacy Compliance Year.

- (b) The monthly Supply Plans or the same information as required to be included in the monthly Supply Plan, plus any other information the CAISO requires as identified in the Business Practice Manual, shall be submitted to the CAISO at least 45 days in advance of the first day of the month covered by the plan, and in accordance with the schedule and in the reporting format(s) set forth in the Business Practice Manual, and shall verify their agreement to provide Resource Adequacy Capacity during that resource adequacy month.
- (c) The Scheduling Coordinator for the Resource Adequacy Resource may submit, at any time from 45 days through 11 days in advance of the relevant month, a revision to its monthly Supply Plan to correct an error in the plan. The CAISO will not accept any revisions to a monthly Supply Plan from 10 days in advance of the relevant month through the end of the month, unless the Scheduling Coordinator for the Resource Adequacy Resource demonstrates good cause for the change and explains why it was not possible to submit the change earlier.
- (d) The monthly Supply Plan may indicate the willingness of the resource to offer capacity for procurement as backstop capacity under the Capacity Procurement Mechanism pursuant to Section 43, and provide the identity of the resource, the available capacity amount, the time periods when the capacity is available, and other information as may be specified in the Business Practice Manual.
- (e) Notwithstanding Section 40.4.7.1(b), for the resource adequacy month of January 2013, the monthly Supply Plans or the same information as required to be included in the monthly Supply Plans, plus any other information the CAISO requires as identified in the Business Practice Manual, shall be submitted to the CAISO no later than November 20, 2012, which is 42 days in advance of the first day of the month. Notwithstanding Section 40.2.2.4(c), for the resource adequacy month of January 2013, the Scheduling Coordinator for the resource adequacy resource may submit at any time from 42 days through 11 days in

advance of the relevant month, a revision to its monthly Supply Plan to correct an error in the plan.

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40.7 Compliance

The CAISO will evaluate Resource Adequacy Plans and Supply Plans as follows:

- (a) The CAISO will evaluate whether each annual and monthly Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity demonstrates Resource Adequacy Capacity sufficient to satisfy the Load Serving Entity's (i) allocated responsibility for Local Capacity Area Resources under Section 40.3.2 and (ii) applicable Demand and Reserve Margin requirements. If the CAISO determines that a Resource Adequacy Plan does not demonstrate Local Capacity Area Resources sufficient to meet its allocated responsibility under Section 40.3.2, compliance with applicable Demand and Reserve Margin requirements, or compliance with any other resource adequacy requirement in this Section 40 or adopted by the CPUC, Local Regulatory Authority, or federal agency, as applicable, the CAISO will notify the relevant Scheduling Coordinator, CPUC, Local Regulatory Authority, or federal agency with jurisdiction over the relevant Load Serving Entity, or in the case of a mismatch between Resource Adequacy Plan(s) and Supply Plan(s), the relevant Scheduling Coordinators, in an attempt to resolve any deficiency in accordance with the procedures set forth in the Business Practice Manual. The notification will be made at least 25 days in advance of the first day of the month covered by the plan and will include the reasons the CAISO believes a deficiency exists. If the deficiency relates to the demonstration of Local Capacity Area Resources in a Load Serving Entity's annual Resource Adequacy Plan, and the CAISO does not provide a written notice of resolution of the deficiency as set forth in the Business Practice Manual, the Scheduling Coordinator for the Load Serving Entity may demonstrate that the identified deficiency is cured by submitting a revised annual Resource Adequacy

Plan within thirty (30) days of the beginning of the Resource Adequacy Compliance Year. For all other identified deficiencies, at least ten (10) days prior the effective month of the relevant Resource Adequacy Plan, the Scheduling Coordinator for the Load Serving Entity shall (i) demonstrate that the identified deficiency is cured by submitting a revised Resource Adequacy Plan or (ii) advise the CAISO that the CPUC, Local Regulatory Authority, or federal agency, as appropriate, has determined that no deficiency exists.

- (b) The CAISO will evaluate whether each monthly Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity demonstrates operationally available Resource Adequacy Capacity, excluding capacity scheduled to take an Approved Maintenance Outage during the resource adequacy month, that is equal to or greater than the Load Serving Entity's applicable forecasted monthly Demand and Reserve Margin. For each day of the month where the CAISO determines that the criteria set forth in Section 9.3.1.3.2.3(b) is not met, if a monthly Resource Adequacy Plan (i) includes capacity scheduled to take an Approved Maintenance Outage on that day that has not been replaced pursuant to Sections 9.3.1.3.1, or 9.3.1.3.2, and (ii) does not demonstrate operationally available Resource Adequacy Capacity equal to or greater than the Load Serving Entity's applicable forecasted monthly Demand and Reserve Margin, the CAISO will require outage replacement and will provide notice of the outage replacement requirement to the Local Regulatory Authority, the Scheduling Coordinator for the Load Serving Entity, and the Scheduling Coordinator for the Resource Adequacy Resource scheduled to take the Approved Maintenance Outage. The notification will be made at least 25 days in advance of the first day of the month covered by the plan and will include the reasons why the CAISO believes an outage replacement requirement exists. At least eleven (11) days prior to the resource adequacy month, the Scheduling Coordinator for either the Load Serving Entity or the Resource Adequacy

Resource may demonstrate that the identified outage replacement requirement is cured by submitting to the CAISO a revision or update to the monthly Resource Adequacy Plan or Supply Plan, as applicable. If neither the Scheduling Coordinator for the Load Serving Entity nor the Scheduling Coordinator for the Resource Adequacy Resource timely advises the CAISO that the identified outage replacement requirement is cured, the CAISO may exercise its authority to procure backstop capacity under the Capacity Procurement Mechanism pursuant to Section 43.

- (c) In the case of a mismatch between Resource Adequacy Plan(s) and Supply Plan(s), if resolved, the relevant Scheduling Coordinator(s) must provide the CAISO with revised Resource Adequacy Plan(s) or Supply Plans, as applicable, at least ten (10) days prior to the effective month. If the CAISO is not advised that the deficiency or mismatch is resolved at least ten (10) days prior to the effective month, the CAISO will use the information contained in the Supply Plan to set the obligations of Resource Adequacy Resources under this Section 40 and/or to assign any costs incurred under this Section 40 and Section 43.

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43. Capacity Procurement Mechanism

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Attachment B – Marked Tariff

Replacement Requirement for RA Maintenance Outages Compliance Filing

California Independent System Operator

Fifth Replacement FERC Electric Tariff

December 19, 2012

Appendix A

Master Definition Supplement

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~~RA Maintenance Outage Backstop Capacity—RA Maintenance Outage Backstop Capacity
procured under Section 43.10.~~

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9. Outages

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9.3 Coordination Of Outages And Maintenance

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9.3.1.3 Coordinating Maintenance Outages of RA Resources

In performing outage coordination management under Section 9, and this Section 9.3.1.3, the CAISO Outage Coordination Office may take into consideration the status of a Generating Unit as a Resource Adequacy Resource. The CAISO Outage Coordination Office may deny, reschedule or cancel an Approved Maintenance Outage for facilities that comprise the CAISO Controlled Grid or Generating Units of Participating Generators if it determines that the outage is likely to have a detrimental effect on the availability of Resource Adequacy Capacity or the efficient use and reliable operation of the CAISO Controlled Grid or the facilities of a Connected Entity.

9.3.1.3.1 Replacement Requirement for LSEs

9.3.1.3.1.1 LSE RA Plans

Each Scheduling Coordinator for a Load Serving Entity shall submit to the CAISO a monthly Resource Adequacy Plan that meets the requirements set forth in Sections 40.2.2.4 or 40.2.3.4, as applicable. Resource Adequacy Capacity included in the monthly Resource Adequacy Plan that, as of the due date for the plan, is scheduled to take an Approved Maintenance Outage during the period of designation may be subject to replacement. To the extent that a resource included in a monthly Resource Adequacy Plan as Resource Adequacy Capacity is scheduled to take an Approved Maintenance Outage for all or portion of its capacity during the resource

adequacy month, the capacity scheduled for outage is not operationally available to the CAISO and may be required by the ISO to be replaced with capacity from another resource(s) that is operationally available in the amount and for the duration of the scheduled outage during that month, as discussed in Sections 9.3.1.3.2.2 through 9.3.1.3.2.5.

9.3.1.3.1.2 RA Resource Pending Maintenance Outage Requests

If a Resource Adequacy Resource requested a planned Maintenance Outage, or change to an Approved Maintenance Outage, more than forty-five days in advance of the resource adequacy month but does not receive approval or denial of the request by the CAISO Outage Coordination Office as of the due date for the Resource Adequacy Plans and Supply Plans, the CAISO Outage Coordination Office, as part of the validation under Sections 9.3.1.3.2.3 and 40.7(b), will determine whether the outage should be approved and, if so, whether it must be replaced in the Resource Adequacy Plan with capacity from another resource that is operationally available in the amount and for the duration of the scheduled outage during the month. Notwithstanding this provision, for the resource adequacy month of January 2013, if a Resource Adequacy Resource requested a planned Maintenance Outage, or change to an Approved Maintenance Outage, more than forty-two days in advance of the resource adequacy month but does not receive approval or denial of the request by the CAISO Outage Coordination Office as of the due date for the Resource Adequacy Plans and Supply Plans, the CAISO Outage Coordination Office, as part of the validation under Sections 9.3.1.3.2.3 and 40.7(b), will determine whether the outage should be approved and, if so, whether it must be replaced in the Resource Adequacy Plan with capacity from another resource that is operationally available in the amount and for the duration of the scheduled outage during the month.

9.3.1.3.1.3 Optional List of Specified RA Replacement Capacity

A Scheduling Coordinator for a Load Serving Entity may include with a monthly Resource Adequacy Plan a list of Specified RA Replacement Capacity for the CAISO's use as RA Replacement Capacity to replace specific Resource Adequacy Capacity identified by the Load Serving Entity that is in its plan and that is scheduled to take an Approved Maintenance Outage

during the month, as provided in Sections 9.3.1.3.2.2 and 40.2.2.4. If the Scheduling Coordinator for a Load Serving Entity opts to include a list of Specified RA Replacement Capacity, the CAISO, in its discretion, will use the specified capacity as RA Replacement Capacity to automatically replace the identified Resource Adequacy Capacity included in that Load Serving Entity's Resource Adequacy Plan in the amount and for the days specified by the Load Serving Entity that the Resource Adequacy Resource is scheduled to take an Approved Maintenance Outage during the month. The Specified RA Replacement Capacity will not be subject to the must-offer obligations in Section 40.6 nor the standard capacity product provisions in Section 40.9, unless the specified capacity is used by the CAISO as RA Replacement Capacity as provided in Section 9.3.1.3.2.2. The list of Specified RA Replacement Capacity included with a monthly Resource Adequacy Plan shall:

- (a) Identify the resource being replaced,
- (b) Identify the resource that will provide the Specified RA Replacement Capacity, the MW amount and time period of the replacement, and other information as may be required in the Business Practice Manual, and
- (c) Be submitted in the format required by the Business Practice Manual.

9.3.1.3.1.4 Optional List of Non-Specified RA Capacity

A Scheduling Coordinator for a Load Serving Entity may include with a monthly Resource Adequacy Plan a list of Non-Specified RA Capacity for the CAISO's use as RA Replacement Capacity to replace Resource Adequacy Capacity included in that Load Serving Entity's monthly Resource Adequacy Plan that is scheduled to take an Approved Maintenance Outage during the month, as provided in Sections 9.3.1.3.2.3, 9.3.1.3.2.4 and 40.2.2.4. If the Scheduling Coordinator for a Load Serving Entity opts to include a list of Non-Specified RA Capacity in its plan, the CAISO, in its discretion, will select capacity from the list and use the selected capacity as RA Replacement Capacity to automatically replace Resource Adequacy Capacity included in that Load Serving Entity's Resource Adequacy Plan in the amount and for the days on which the CAISO's validation of the plan determines that the designated capacity scheduled to take an Approved Maintenance Outage during the resource adequacy month must be replaced. The

listed Non-Specified RA Capacity will not be subject to the must-offer obligations in Section 40.6 nor the standard capacity product provisions in Section 40.9, unless the Non-Specified Capacity is selected by the CAISO and used as RA Replacement Capacity as provided in Section

9.3.1.3.2.4. The list of Non-Specified RA Capacity included with a monthly Resource Adequacy Plan shall:

- (a) Rank each resource that has available Non-Specified RA Capacity in the order of use preferred by the Load Serving Entity;
- (b) Provide the identity of the resource, the MW amount of available capacity, the time periods when the capacity is available, and other information as may be specified in the Business Practice Manual;
- (c) Indicate the willingness of the Load Serving Entity to offer each resource that has available Non-Specified RA Capacity for procurement as ~~RA Maintenance~~ Outage Backstop ~~backstop capacity under the~~ Capacity Procurement Mechanism pursuant to Section ~~43.10~~; and
- (d) Be submitted in the format required by the Business Practice Manual.

9.3.1.3.2 CAISO Replacement Determination For LSE RA Plans

9.3.1.3.2.1 Review of LSE RA Plans

The CAISO shall review each monthly Resource Adequacy Plan pursuant to Section 40.7(b) to validate that the capacity provided is equal to or greater than the applicable forecasted monthly Demand and Reserve Margin for the Load Serving Entity and shall provide the results of this review to the Local Regulatory Authority. Additionally, the CAISO will review each monthly Resource Adequacy Plan to identify any Resource Adequacy Capacity included in the plan that will not be operationally available to the CAISO due to an Approved Maintenance Outage scheduled to occur during the month.

9.3.1.3.2.2 Replacement By Specified RA Replacement Capacity

If the review performed by the CAISO under Section 9.3.1.3.2.1 validates that a monthly Resource Adequacy Plan includes no capacity that will be operationally unavailable to the CAISO due to an Approved Maintenance Outage scheduled to occur during the month, no replacement

by Specified RA Replacement Capacity will occur. If the review performed by the CAISO under Section 9.3.1.3.2.1 validates that a monthly Resource Adequacy Plan includes capacity that will not be operationally available to the CAISO due to an Approved Maintenance Outage scheduled to occur during the month, and the Load Serving Entity has provided a list of Specified RA Replacement Capacity, then the CAISO will verify that the Specified RA Replacement Capacity is available during the specified replacement period and will replace the unavailable capacity in that Load Serving Entity's Resource Adequacy Plan with the available Specified RA Replacement Capacity. The CAISO will not accept any Specified RA Replacement Capacity that is unavailable during the specified replacement period. The CAISO will notify the Scheduling Coordinator for the Load Serving Entity and Scheduling Coordinator for the resource providing the Specified RA Replacement Capacity that the Specified RA Replacement Capacity has been accepted as RA Replacement Capacity. The Scheduling Coordinator for the resource providing the Specified RA Replacement Capacity must verify their agreement to provide the Specified RA Replacement Capacity. For the duration of the period that the resource is providing Specified RA Replacement Capacity, the resource shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the must-offer obligations in Section 40.6 and the standard capacity product provisions in Section 40.9, for the MW amount and duration of the outage replacement period, which includes the full day of the start date and the full day of the end date of the outage.

9.3.1.3.2.3 CAISO Replacement Determination

Following replacement by Specified RA Replacement Capacity, the CAISO will determine whether Load Serving Entities are required to replace any capacity remaining in their monthly Resource Adequacy Plans that will not be operationally available to the CAISO due to an Approved Maintenance Outage scheduled to occur during the month. The CAISO will make the replacement determination as follows:

- (a) For each day of the month, the CAISO will calculate the System Total Available RA Capacity provided in the Resource Adequacy Plans and compare that MW amount to the CAISO system RA Reliability Margin.

- (b) For each day of the month where the System Total Available RA Capacity provided in the Resource Adequacy Plans exceeds the CAISO system RA Reliability Margin, the CAISO may determine that no further replacement is required.
- (c) For each day of the month where the System Total Available RA Capacity provided in the Resource Adequacy Plans is less than the CAISO system RA Reliability Margin, the CAISO may require replacement of the Resource Adequacy Capacity scheduled to take an Approved Maintenance Outage, as provided in Sections 9.3.1.3.2.3 and 9.3.1.3.2.4. When replacement is required, the Scheduling Coordinator for each Load Serving Entity that did not include in its Resource Adequacy Plan available Resource Adequacy Capacity for the day in a MW amount equal to or greater than the applicable forecasted monthly Demand and Reserve Margin for that Load Serving Entity will be required to provide the RA Replacement Capacity.
- (d) When replacement is required under Section 9.3.1.3.2.3(c), the CAISO will consider whether the Resource Adequacy Capacity scheduled to take an Approved Maintenance Outage requires replacement in the reverse order of the dates on which the outage requests were received. The Resource Adequacy Capacity subject to the most recently requested Approved Maintenance Outages will require replacement before the Resource Adequacy Capacity subject to Approved Maintenance Outages that were requested on earlier dates. Any request for a change to an Approved Maintenance Outage that extends the scheduled duration of the outage or increases the MW amount of capacity on outage will be treated as a new outage request.
- (e) Beginning with the date of the most recent request to take an Approved Maintenance Outage during the month, the CAISO will either replace the unavailable Resource Adequacy Capacity with Non-Specified RA Replacement Capacity under Section 9.3.1.3.2.4 or will require the Scheduling Coordinator for

the Load Serving Entity to replace the unavailable Resource Adequacy Capacity under Section 9.3.1.3.2.5. The CAISO will continue this replacement process in reverse order of the dates on which the requests to take the Approved Maintenance Outages were received until sufficient unavailable Resource Adequacy Capacity has been replaced each day to meet the criteria set forth in Section 9.3.1.3.2.3(b).

9.3.1.3.2.4 Replacement By Non-Specified RA Replacement Capacity

For each day of the month where the CAISO determines under Section 9.3.1.3.2.3 that replacement is required of Resource Adequacy Capacity scheduled to take an Approved Maintenance Outage, the CAISO may replace the unavailable capacity with Non-Specified RA Replacement Capacity as follows:

- (a) The CAISO will identify each Load Serving Entity that did not include in its monthly Resource Adequacy Plan available Resource Adequacy Capacity for each day in a MW amount equal to or greater than its applicable forecasted monthly Demand Reserve Margin, and will verify whether each such Load Serving Entity provided a list of Non-Specified RA Replacement Capacity with its plan.
- (b) To the extent that a Load Serving Entity provided a list of Non-Specified Replacement Capacity, the CAISO during the replacement process set forth in Section 9.3.1.3.2.3 will select capacity, in its discretion, from the list and use the selected capacity as RA Replacement Capacity to automatically replace unavailable Resource Adequacy Capacity included in that Load Serving Entity's Resource Adequacy Plan for each day where the CAISO determines that replacement is required.
- (c) The CAISO will verify whether the Non-Specified RA Replacement Capacity on each list is available during the replacement period and replace the unavailable capacity in the Resource Adequacy Plan with available Non-Specified RA

Replacement Capacity. The CAISO will not accept Non-Specified RA Replacement Capacity that is unavailable during the replacement period.

- (d) The CAISO will notify the Scheduling Coordinator for the Load Serving Entity and the Scheduling Coordinator for the resource providing the Non-Specified RA Replacement Capacity that the Non-Specified RA Replacement Capacity has been selected as RA Replacement Capacity. The Scheduling Coordinator for the resource providing the Non-Specified RA Replacement Capacity must verify their agreement to provide the Non-Specified RA Replacement Capacity.
- (e) For the duration of the period that the Non-Specified RA Capacity is providing RA Replacement Capacity, it shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the must-offer obligations in Section 40.6 and the standard capacity product provisions in Section 40.9 for the MW amount and duration of the replacement period, which includes the full day of the start date and the full day of the end date of the outage.

9.3.1.3.2.5 Unreplaced Capacity In An RA Plan

Following replacement by Non-Specified Capacity, for each day of the month where the criteria set forth in Section 9.3.1.3.2.3(b) is not met, and where the Load Serving Entity either did not provide Non-Specified RA Replacement Capacity, or the Non-Specified RA Replacement Capacity it provided was already selected by the CAISO, was insufficient, or was unavailable during the replacement period, the Scheduling Coordinator for the Load Serving Entity will have a replacement requirement. The CAISO will notify the Scheduling Coordinator for the Load Serving Entity of the replacement requirement and will identify the MW amount of capacity remaining in its Resource Adequacy Plan that will be operationally unavailable to the CAISO due to an Approved Maintenance Outage on that day and that it is required to replace. The CAISO will treat the unreplaced capacity as an outage replacement requirement pursuant to Section 40.7(b). If the Scheduling Coordinator for the Load Serving Entity does not provide sufficient operationally

available RA Replacement Capacity to meet the replacement requirement identified by the CAISO, and the resource does not reschedule or cancel the outage after its Supply Plan is submitted, the CAISO may exercise its authority ~~in Section 43.10~~ to procure ~~RA Maintenance Outage Backstop~~ backstop capacity under the Capacity Procurement Mechanism pursuant to Section 43.

9.3.1.3.3 Replacement Requirement for RA Resources

9.3.1.3.3.1 RA Maintenance Outage Requests With Replacement

After the monthly Supply Plan has been submitted, the Operator of a Resource Adequacy Resource designated as Resource Adequacy Capacity during the resource adequacy month may request that a planned Maintenance Outage be scheduled, or an Approved Maintenance Outage be rescheduled, as an RA Maintenance Outage With Replacement during that month. A request for an RA Maintenance Outage With Replacement must (i) be submitted to the CAISO Outage Coordination Office at least three Business Days prior to the start of the outage, (ii) provide RA Replacement Capacity in an amount no less than the Resource Adequacy Capacity designated for the resource for the duration of the scheduled outage, and (iii) otherwise comply with the requirements set forth in Section 9. The CAISO Outage Coordination Office will consider requests for an RA Maintenance Outage With Replacement in the order the requests are received. The CAISO Outage Coordination Office may approve the request if the outage includes the required RA Replacement Capacity and meets the criteria set forth in this Section 9.3.1.3.3.1 and Section 9.3.6.4.1. The RA Replacement Capacity for an RA Maintenance Outage With Replacement shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the must-offer obligations in Section 40.6 and the standard capacity product provisions in Section 40.9, for the MW amount and duration of the outage replacement period, which includes the full day of the start date and the full day of the end date of the outage. The CAISO Outage Coordination Office may deny a request for an RA Maintenance Outage With Replacement that is not timely submitted and/or does not provide the required RA Replacement

Capacity for the outage, or may treat it as a request for a Short-Notice Opportunity RA Maintenance Outage under Section 9.3.1.3.3.3.

9.3.1.3.3.2 Off-Peak Opportunity RA Maintenance Outages

The Operator of a resource designated as Resource Adequacy Capacity during the resource adequacy month may submit a request for an Off-Peak Opportunity RA Maintenance Outage from ten days prior to the start of month until three business days prior to the end of the month, without a requirement to provide RA Replacement Capacity for the unavailable capacity for the duration of the outage. A request for an Off-Peak Opportunity RA Maintenance Outage must (i) be submitted to the CAISO Outage Coordination Office at least three Business Days prior to the start date for the outage, (ii) schedule the outage to begin during off-peak hours (as specified in the Business Practice Manual) on a weekday, and to be completed prior to on-peak hours (as specified in the Business Practice Manual) the following weekday, or to begin during off-peak hours (as specified in the Business Practice Manual) on Friday, or on Saturday, Sunday, or a holiday, and to be completed prior to on-peak hours (as specified in the Business Practice Manual) on the next weekday, and (iii) otherwise comply with the requirements set forth in Section 9. The CAISO Outage Coordination Office will consider requests for an Off-Peak Opportunity RA Maintenance Outage in the order the requests were received. The CAISO Outage Coordination Office may approve the request if (i) system conditions and the overall outage schedule provide an opportunity to take the resource out of service without a detrimental effect on the efficient use and reliable operation of the CAISO Controlled Grid, and (ii) it otherwise meets the criteria set forth in Section 9. To the extent that an approved Off-Peak Opportunity RA Maintenance Outage is not completed during off-peak hours as scheduled, and extends into on-peak hours, the portion of the outage that extends into on-peak hours will be treated as a Forced Outage.

9.3.1.3.3.3 Short-Notice Opportunity RA Maintenance Outages

After the due date for the monthly Resource Adequacy Plans and Supply Plans and until the end of the resource adequacy month, the Operator of a resource designated as Resource Adequacy

Capacity during the month may submit a request for a planned Maintenance Outage or a request to change an Approved Maintenance Outage that is not timely under the provisions of Section 9 and/or does not provide replacement capacity. The CAISO Outage Coordination Office may, at its discretion, deny the request, or approve the request as a Short-Notice Opportunity RA Maintenance Outage; provided that the CAISO Outage Coordination Office has adequate time to analyze the request before the outage begins and the analysis determines that (i) system conditions and the overall outage schedule provide an opportunity to take the resource out of service without a detrimental effect on the efficient use and reliable operation of the CAISO Controlled Grid, and (ii) the outage has not already commenced as a Forced Outage. The CAISO Outage Coordination Office will consider Short-Notice Opportunity RA Maintenance Outages in the order the requests are received. To the extent that an approved Short-Notice Opportunity RA Maintenance Outage is not completed during the originally approved outage schedule, the portion of the outage that continues from the approved completion time until the time the outage is actually completed will be treated as a Forced Outage.

9.3.1.3.4 Replacement Requirement Information

In order to make information available to Market Participants pertinent to the replacement requirement provisions in Section 9.3.1.3, the CAISO will:

- (a) Annually post on the CAISO Website a calendar of the timeline of due dates for each month of the following resource adequacy compliance year; and
- (b) Provide the opportunity for Market Participants to post and view information on an electronic bulletin board about non-Resource Adequacy Capacity and Non-Designated RA Capacity that may be needed or available as RA Replacement Capacity in the bilateral market. Use of the bulletin board is voluntary and limited to use for informational purposes only.

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40. Resource Adequacy Demonstration for All SCs In The CAISO BAA

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40.4.7.1 Schedule for Submission of Supply Plans

Scheduling Coordinators representing Resource Adequacy Resources supplying Resource Adequacy Capacity shall provide the CAISO with annual and monthly Supply Plans, as follows:

- (a) The annual Supply Plan shall be submitted to the CAISO on the schedule set forth in the Business Practice Manual and shall verify their agreement to provide Resource Adequacy Capacity during the next Resource Adequacy Compliance Year.
- (b) The monthly Supply Plans or the same information as required to be included in the monthly Supply Plan, plus any other information the CAISO requires as identified in the Business Practice Manual, shall be submitted to the CAISO at least 45 days in advance of the first day of the month covered by the plan, and in accordance with the schedule and in the reporting format(s) set forth in the Business Practice Manual, and shall verify their agreement to provide Resource Adequacy Capacity during that resource adequacy month.
- (c) The Scheduling Coordinator for the Resource Adequacy Resource may submit, at any time from 45 days through 11 days in advance of the relevant month, a revision to its monthly Supply Plan to correct an error in the plan. The CAISO will not accept any revisions to a monthly Supply Plan from 10 days in advance of the relevant month through the end of the month, unless the Scheduling Coordinator for the Resource Adequacy Resource demonstrates good cause for the change and explains why it was not possible to submit the change earlier.
- (d) The monthly Supply Plan may indicate the willingness of the resource to offer capacity for procurement as ~~RA Maintenance Outage Backstop~~ backstop capacity under the Capacity Procurement Mechanism pursuant to Section 43-10, and provide the identity of the resource, the available capacity amount, the time

periods when the capacity is available, and other information as may be specified in the Business Practice Manual.

- (e) Notwithstanding Section 40.4.7.1(b), for the resource adequacy month of January 2013, the monthly Supply Plans or the same information as required to be included in the monthly Supply Plans, plus any other information the CAISO requires as identified in the Business Practice Manual, shall be submitted to the CAISO no later than November 20, 2012, which is 42 days in advance of the first day of the month. Notwithstanding Section 40.2.2.4(c), for the resource adequacy month of January 2013, the Scheduling Coordinator for the resource adequacy resource may submit at any time from 42 days through 11 days in advance of the relevant month, a revision to its monthly Supply Plan to correct an error in the plan.

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40.7 Compliance

The CAISO will evaluate Resource Adequacy Plans and Supply Plans as follows:

- (a) The CAISO will evaluate whether each annual and monthly Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity demonstrates Resource Adequacy Capacity sufficient to satisfy the Load Serving Entity's (i) allocated responsibility for Local Capacity Area Resources under Section 40.3.2 and (ii) applicable Demand and Reserve Margin requirements. If the CAISO determines that a Resource Adequacy Plan does not demonstrate Local Capacity Area Resources sufficient to meet its allocated responsibility under Section 40.3.2, compliance with applicable Demand and Reserve Margin requirements, or compliance with any other resource adequacy requirement in this Section 40 or adopted by the CPUC, Local Regulatory Authority, or federal agency, as applicable, the CAISO will notify the relevant Scheduling Coordinator, CPUC, Local Regulatory Authority, or federal agency with jurisdiction over the relevant Load Serving Entity, or in the case of a mismatch between Resource

Adequacy Plan(s) and Supply Plan(s), the relevant Scheduling Coordinators, in an attempt to resolve any deficiency in accordance with the procedures set forth in the Business Practice Manual. The notification will be made at least 25 days in advance of the first day of the month covered by the plan and will include the reasons the CAISO believes a deficiency exists. If the deficiency relates to the demonstration of Local Capacity Area Resources in a Load Serving Entity's annual Resource Adequacy Plan, and the CAISO does not provide a written notice of resolution of the deficiency as set forth in the Business Practice Manual, the Scheduling Coordinator for the Load Serving Entity may demonstrate that the identified deficiency is cured by submitting a revised annual Resource Adequacy Plan within thirty (30) days of the beginning of the Resource Adequacy Compliance Year. For all other identified deficiencies, at least ten (10) days prior the effective month of the relevant Resource Adequacy Plan, the Scheduling Coordinator for the Load Serving Entity shall (i) demonstrate that the identified deficiency is cured by submitting a revised Resource Adequacy Plan or (ii) advise the CAISO that the CPUC, Local Regulatory Authority, or federal agency, as appropriate, has determined that no deficiency exists.

- (b) The CAISO will evaluate whether each monthly Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity demonstrates operationally available Resource Adequacy Capacity, excluding capacity scheduled to take an Approved Maintenance Outage during the resource adequacy month, that is equal to or greater than the Load Serving Entity's applicable forecasted monthly Demand and Reserve Margin. For each day of the month where the CAISO determines that the criteria set forth in Section 9.3.1.3.2.3(b) is not met, if a monthly Resource Adequacy Plan (i) includes capacity scheduled to take an Approved Maintenance Outage on that day that has not been replaced pursuant to Sections 9.3.1.3.1, or 9.3.1.3.2, and (ii) does not demonstrate operationally available Resource Adequacy Capacity

equal to or greater than the Load Serving Entity's applicable forecasted monthly Demand and Reserve Margin, the CAISO will require outage replacement and will provide notice of the outage replacement requirement to the Local Regulatory Authority, the Scheduling Coordinator for the Load Serving Entity, and the Scheduling Coordinator for the Resource Adequacy Resource scheduled to take the Approved Maintenance Outage. The notification will be made at least 25 days in advance of the first day of the month covered by the plan and will include the reasons why the CAISO believes an outage replacement requirement exists. At least eleven (11) days prior to the resource adequacy month, the Scheduling Coordinator for either the Load Serving Entity or the Resource Adequacy Resource may demonstrate that the identified outage replacement requirement is cured by submitting to the CAISO a revision or update to the monthly Resource Adequacy Plan or Supply Plan, as applicable. If neither the Scheduling Coordinator for the Load Serving Entity nor the Scheduling Coordinator for the Resource Adequacy Resource timely advises the CAISO that the identified outage replacement requirement is cured, the CAISO may exercise its authority ~~in Section 43.10, to procure RA Maintenance Outage Backstop~~ backstop capacity under the Capacity Procurement Mechanism pursuant to Section 43.

- (c) In the case of a mismatch between Resource Adequacy Plan(s) and Supply Plan(s), if resolved, the relevant Scheduling Coordinator(s) must provide the CAISO with revised Resource Adequacy Plan(s) or Supply Plans, as applicable, at least ten (10) days prior to the effective month. If the CAISO is not advised that the deficiency or mismatch is resolved at least ten (10) days prior to the effective month, the CAISO will use the information contained in the Supply Plan to set the obligations of Resource Adequacy Resources under this Section 40 and/or to assign any costs incurred under this Section 40 and Section 43.

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43.

Backstop Procurement Capacity Procurement Mechanism

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~~43.10 RA Maintenance Outage Backstop Capacity Procurement~~

~~43.10.1 Designation~~

~~The CAISO shall have the authority to designate capacity in accordance with Section 43.10.2 to provide RA Maintenance Outage Backstop Capacity services on each day during the resource adequacy month where (i) the CAISO determines that the criteria set forth in Section 9.3.1.3.2.3(b) is not met, (ii) the Load Serving Entity's monthly Resource Adequacy Plan includes Resource Adequacy Capacity scheduled to take an Approved Maintenance Outage, (iii) such unavailable capacity was not replaced with RA Replacement Capacity pursuant to Sections 9.3.1.3.1 or 9.3.1.3.2, and (iv) the Load Serving Entity's monthly Resource Adequacy Plan fails to demonstrate operationally available Resource Adequacy Capacity equal to or greater than the Load Serving Entity's applicable forecasted monthly Demand and Reserve Margin. However, the CAISO shall not designate RA Maintenance Outage Backstop Capacity under this Section 43.10.1 until after the Scheduling Coordinator for the Load Serving Entity and the Scheduling Coordinator for the Resource Adequacy Resource scheduled to take the Approved Maintenance Outage have the opportunity to cure the outage replacement requirement as set forth in Section 40.7. The CAISO may exercise its authority to designate RA Maintenance Outage Backstop Capacity under this Section 43.10.1 to ensure that sufficient Resource Adequacy Capacity is operationally available to meet the CAISO system RA Reliability Margin. The CAISO shall endeavor to finalize the designation at least one day in advance of the start of the resource adequacy month.~~

~~43.10.2 Selection of RA Maintenance Outage Backstop Capacity~~

~~In accordance with Good Utility Practice, the CAISO shall make designations of RA Maintenance Outage Backstop Capacity from operationally available capacity, excluding the capacity of Generating Units, System Units, System Resources, or Participating Load that is already designated as a Resource Adequacy Resource, under an RMR Contract, or designated as CPM~~

~~Capacity during the replacement period, and excluding a Participating Generator or Participating Load that has filed notice to terminate its Participating Generator Agreement, QF PGA, Pseudo-Tie Participating Generator Agreement, or Participating Load Agreement or withdraw the capacity from its Participating Generator Agreement, QF PGA, Pseudo-Tie Participating Generator Agreement, or Participating Load Agreement. The CAISO shall select the RA Maintenance Outage Backstop Capacity by considering the following criteria in the order listed:~~

- ~~(1) the availability of Non-Specified RA Capacity from other Load Serving Entities and the availability of capacity from other resources;~~
- ~~(2) capacity that has similar operating characteristics to the capacity on outage;~~
- ~~(3) the capacity costs associated with the available capacity; and~~
- ~~(4) the quantity of a resource's available capacity, based on the resource's PMin, relative to the remaining amount of capacity needed.~~

~~The CAISO will apply the first criterion to identify the pool of available capacity for backstop from available Non-Specified RA Capacity that other Load Serving Entities have procured but did not designate as Resource Adequacy Capacity and the capacity available from other resources during the relevant resource adequacy month. The CAISO will apply the second criterion by endeavoring to select capacity that has similar operating characteristics to the capacity on outage. The CAISO will apply the third criterion by considering the cost of the available capacity, with the goal of selecting a lower cost resource. The CAISO will apply the fourth criterion by considering the quantity of a resource's available capacity. The CAISO will endeavor to select a resource that has a PMin at or below the needed amount of capacity before selecting a resource that has a PMin that would result in over-procurement. If after applying these criteria, two or more resources that are eligible for designation equally satisfy these criteria, the CAISO shall utilize a random selection method to determine the designation between those resources. The CAISO will notify the unit that has been selected and confirm that it accepts the designation as RA Maintenance Outage Backstop Capacity. The CAISO shall not designate the capacity of a resource for an amount of capacity that is less than the resource's PMin.~~

~~43.10.3~~ — ~~Term~~

~~RA Maintenance Outage Backstop Capacity designated under Section 43.10.1 shall have a minimum commitment of one day and a maximum commitment of 31 days. The term of the designation shall not extend into the subsequent resource adequacy compliance month. If the replacement period may continue into the following resource adequacy compliance month, the CAISO will consider the need to procure RA Maintenance Outage Backstop Capacity for that portion of the replacement period as part of the CAISO's validation of the Load Serving Entity's Resource Adequacy Plan for the next month pursuant to Section 40.2.2.4 or 40.2.3.4.~~

~~43.10.4~~ — ~~Obligation To Provide Capacity and Termination~~

~~The decision to accept a designation as RA Maintenance Outage Backstop Capacity shall be voluntary for the Scheduling Coordinator for any resource. If the Scheduling Coordinator for a resource accepts the designation, it shall be obligated to perform for the full quantity and full period of the designation with respect to the amount of RA Maintenance Outage Backstop Capacity for which it has accepted the designation.~~

~~43.10.5~~ — ~~Availability Obligations~~

~~Capacity from resources designated as RA Maintenance Outage Backstop Capacity shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the must offer obligations in Section 40.6 and the standard capacity product provisions in Section 40.9 for the MW amount and duration of the designation period, which includes the day of the start date and the day of the end date of the outage. If the CAISO has not received an Economic Bid or a Self-Schedule for RA Maintenance Outage Backstop Capacity, the CAISO shall utilize a Generated Bid in accordance with the procedures specified in Section 40.6.8.~~

~~43.10.6~~ — ~~Payment~~

~~Payment shall be made to the Scheduling Coordinator for the resource that received the designation to provide RA Maintenance Outage Backstop Capacity or to the Scheduling Coordinator for the Load Serving Entity that offered the Non-Specified RA Capacity procured as~~

~~RA Maintenance Outage Backstop Capacity. The payment shall equal the product of the number of days the resource provides RA Maintenance Outage Backstop Capacity multiplied by the MW amount of RA Maintenance Outage Backstop Capacity provided net of any Maintenance Outages or Forced Outages, multiplied by the fixed CPM Capacity price, on a pro rata daily basis, in effect pursuant to Section 43.7.1.~~

~~43.10.7 Allocation of Payment Costs~~

~~The cost of the payments made for an RA Maintenance Outage Backstop Capacity designation will be allocated to the Scheduling Coordinator for the Load Serving Entity whose monthly Resource Adequacy Plan fails to have sufficient operationally available Resource Adequacy Capacity, and RA Replacement Capacity if required by the ISO, to comply with the Load Serving Entity's applicable forecasted monthly Demand and Reserve Margin. Such costs will be assigned in proportion to the MW amount of RA Maintenance Outage Backstop Capacity attributable to the individual Load Serving Entity.~~

~~43.10.8 Notice of Designation~~

~~The CAISO shall issue a Market Notice within five Business Days of an RA Maintenance Outage Backstop Capacity designation. The Market Notice shall include a description of the cause of the designation, the name of the resource(s) procured, and the term and MW amount of the designation. At the end of each resource adequacy month, the CAISO will provide to each Load Serving Entity that is allocated payment costs under Section 43.10.7 notice of the identity of the RA Resource that required backstop procurement and the identity of the RA Resource that provided the RA Maintenance Outage Backstop Capacity.~~

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in 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. § 385.2010).

Dated at Washington, D.C. this 19th day of December 2012.

/s/ Daniel Klein
Daniel Klein