

November 30, 2009

Via Overnight Delivery

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. ER10-____-000**

Amendment No. 4 to Rate Schedule No. 40

Dear Secretary Bose:

The California Independent System Operator Corporation (“ISO”) submits for Commission filing and acceptance Amendment No. 4 to the Interconnected Control Area Operating Agreement (“ICAOA”) between the ISO and Nevada Power Company (“NEVP”), doing business as NV Energy.¹ Amendment No. 4 authorizes a pilot pseudo-tie of the Copper Mountain Solar 1 photovoltaic generating facility, currently in the NEVP balancing authority area, to the ISO balancing authority area.

I. Background

The ICAOA is designed to assist the ISO and NEVP in coordinating the operation and maintenance of their interconnected balancing authority areas, in a manner consistent with reliability standards adopted by the North American Electric Reliability Corporation and the Western Electricity Coordinating Council and good utility practice. The original ICAOA was filed with the Commission on April 25, 2000, in Docket No. ER00-2292-000 and was designated as ISO Rate Schedule FERC No. 40. The Commission accepted that filing by letter order issued on June 23, 2000. The ISO has subsequently submitted several amendments to the ICAOA, most recently Amendment No. 3 submitted on November 12, 2004 in Docket No. ER05-210-000, regarding which the

¹ The ISO (which is sometimes also referred to as the CAISO) submits this filing pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d.

Commission issued an order accepting that amendment dated December 15, 2004.²

II. Amendment No. 4

The purpose of Amendment No. 4 is to implement a pilot pseudo-tie of the Copper Mountain Solar I photovoltaic generating facility, which requires the following revisions to the ICAOA:³

- Section ICAA 2.2.14 has been added to Section 2.2, Special Definitions, to add a defined term Pseudo Tie.
- Section ICAA 5.5 has been added to authorize a pseudo-tie of the Copper Mountain Solar 1 photovoltaic resource currently in the NEVP balancing authority area to the ISO balancing authority area and to specify the conditions by which the parties may withdraw from participation in the pseudo-tie arrangement.

III. Effective Date

The ISO requests that Amendment No. 4 to the ICAOA be made effective as of February 1, 2010. This requested effective date is the first day of the month more than 61 days following the date of this filing and will permit the ISO to implement the requested changes in a manner that is best accommodated by its systems. The Commission should grant the ISO's requested February 1, 2010 effective date for this reason.

IV. Expenses

No expense or cost associated with this filing has been alleged or judged in any judicial or administrative proceeding to be illegal, duplicative, unnecessary, or demonstratively the product of discriminatory employment practices.

² *California Independent System Operator Corp.*, 113 FERC ¶ 61,217 (2005).

³ This pseudo-tie arrangement is reflected in the Pseudo Participating Generator Agreement between the ISO and El Dorado Energy, LLC, which is being filed in a separate docket on the same date as this filing of Amendment No. 4 to the ICAOA.

V. Correspondence

The CAISO requests that all correspondence, pleadings and other communications concerning this filing be served upon the following:

Michael D. Dozier*
Senior Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 608-7048
Fax: (916) 608-7222
E-mail: mdozier@caiso.com

* Individual designated for service pursuant to 18 C.F.R. § 203(b)(3).

VI. Service

Copies of this filing have been served on NEVP, El Dorado Energy, LLC, the California Public Utilities Commission, and all entities that are on the official service lists for the docket in which the ISO filed the original ICAOA with NEVP, Docket No. ER00-2292, and for the dockets in which the ISO filed the first three amendments to that ICAOA, Docket Nos. ER01-1995, ER04-855, and ER05-210. In addition, the filing has been posted on the ISO's website.

VII. Contents of Filing

Enclosed for filing are six copies of each of the following:

- (1) this letter of transmittal;
- (2) the executed Amendment No. 4 (Attachment A);
- (3) rate schedule sheets for the ICAOA revised to incorporate the revisions included in Amendment No. 4 (Attachment B); and
- (4) the provisions of the ICAOA revised by Amendment No. 4 with the revisions shown in black-line format (Attachment C).

Also enclosed is an additional copy of this filing to be date-stamped and returned in the enclosed FedEx envelope.

VIII. Conclusion

For the foregoing reasons, the Commission should accept ICAOA Amendment No. 4 contained in the instant filing to become effective on February 1, 2010. Please contact the undersigned if you have any questions regarding this matter.

Respectfully submitted,

/s/Michael D. Dozier

Nancy Saracino

General Counsel

Michael D. Dozier

Senior Counsel

California Independent System

Operator Corporation

151 Blue Ravine Road

Folsom, CA 95630

Tel: (916) 608-7048

Fax: (916) 608-7222

Attorneys for the California Independent
System Operator Corporation

Attachment A
Amendment No. 4 to ICAOA
Between California ISO
and
Nevada Power Company

December 1, 2009

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
AND
NEVADA POWER COMPANY**

**AMENDMENT NO. 4
TO THE
INTERCONNECTED CONTROL AREA OPERATING AGREEMENT**

THIS AMENDMENT NO. 4 is effective as of February 1, 200¹⁰ and is entered into by and between:

- (1) **Nevada Power Company** (NEVP), doing business as NV Energy, having its registered and principal executive office at 6226 West Sahara Avenue, Las Vegas, NV 89146;

and

- (2) **California Independent System Operator Corporation** (ISO), a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, CA 95620.

NEVP and the ISO are hereinafter referred to as the "Parties."

Whereas:

- A.** The Parties are signatories to an Interconnected Control Area Operating Agreement dated March 21, 2000 (the "Agreement"), as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3.
- B.** The Parties desire to amend the Agreement to provide for a pilot program for a Pseudo Tie of the Copper Mountain Solar I photovoltaic project being developed by El Dorado Energy, LLC in the NEVP Control Area to the ISO Control Area.
- C.** In all other respects, the Parties intend that the Agreement remain in full force and effect in accordance with its terms.

NOW THEREFORE, **THE PARTIES AGREE** as follows:

1. **Termination.** This Amendment No. 4 shall remain in full force and effect until the earlier of (i) the termination of the Agreement or (ii) a withdrawal of

participation by either Party in the Pseudo Tie arrangement as set forth in Section ICAA 5.5 of the Agreement.

2. Amendment to the Agreement. The Agreement shall be amended as follows:

2.1 A new subsection ICAA 2.2.14 shall be added to Section ICAA 2.2, Special Definitions, to read as follows:

“ICAA 2.2.14 Pseudo Tie: The point at which a generating facility is authorized to operate under the jurisdiction of the ISO Control Area but is electrically interconnected to the NEVP Control Area in which it is physically located, as provided for under this Agreement.”

In addition, as a result of the addition of this new definition, the subsequent definitions have been renumbered accordingly.

2.2 A new Section ICAA 5.5 shall be added as follows:

“ICAA 5.5 Pilot for Pseudo Tie to the ISO Control Area

The ISO and NEVP shall develop procedures for a pilot Pseudo Tie of the Copper Mountain Solar I photovoltaic project being developed by El Dorado Energy, LLC in the NEVP Control Area to the ISO Control Area. NEVP’s agreement to develop procedures for a pilot Pseudo Tie of the Copper Mountain Solar I photovoltaic project does not obligate NEVP to any further Pseudo Tie arrangements for other projects in its Control Area. Either Party may, for any reason whatsoever, withdraw its participation in the above pilot Pseudo Tie arrangement upon sixty (60) days written notice to the other Party.”

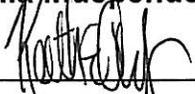
3. This Amendment No. 4 constitutes the complete and final agreement of the Parties with respect to the purpose of this Amendment No. 4 as described in the Recitals hereto and supersedes all prior understandings, whether written or oral, with respect to such subject matter.

4. Except as expressly modified in this Amendment No. 4, the Agreement shall remain in full force and effect in accordance with its terms, and the unmodified provisions of the Agreement shall apply to any new rights and/or obligations established by this Amendment No. 4.

5. This Amendment No. 4 may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 4 to be duly executed by and through their respective authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By: 

Name: Keith E. Casey, Ph.D

Title: VP, Market + Infrastructure Development

Date: 11/25/09



Nevada Power Company, d/b/a NV Energy

By: 

Name: RICHARD SALGO

Title: DIRECTOR, ELECTRIC SYSTEM CONTROL OPERATIONS

Date: 11-17-09

Attachment B

Cleans Sheets for Amendment No. 4

ICAOA

Between California ISO

and

Nevada Power Company

December 1, 2009

including, but not limited to, the facilities and entitlements which represent the ISO Controlled Grid), for which the ISO has reliability responsibility pursuant to NERC and WECC requirements.

- ICAA 2.2.6** **ISO Controlled Grid:** The system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.
- ICAA 2.2.7** **ISO Operations Date:** The date on which the ISO first assumes operational control of the ISO Control Area.
- ICAA 2.2.8** **ISO Tariff:** ISO Operating Agreement, Protocols, and Tariff as amended from time to time, together with any appendices or attachments thereto.
- ICAA 2.2.9** **Nomogram:** A set of operating or scheduling rules which are used to ensure that simultaneous operating limits are respected, in order to meet NERC and WECC operating criteria.
- ICAA 2.2.10** **Outage:** Disconnection or separation, planned or forced, of one or more elements of an electric system.
- ICAA 2.2.11** **Participating Transmission Owner (PTO):** An owner of transmission that has placed its transmission assets and entitlements under the ISO's operational control.
- ICAA 2.2.12** **Planned Outage:** An Outage for which sufficient notice has been given to allow the Outage to be factored into the processes and the established Outage coordination principles of the control areas.
- ICAA 2.2.13** **Point of Contact:** A person or entity having the authority to receive and act upon scheduling or dispatch communications from the other control area operator and available through a communications device mutually agreed upon on a 24-hour, 7-day basis.
- ICAA 2.2.14** **Pseudo Tie:** The point at which a generating facility is authorized to operate under the jurisdiction of the ISO Control Area but is electrically interconnected to the NEVP Control Area in which it is physically located, as provided for under this Agreement.
- ICAA 2.2.15** **Real Time Operating Limits:** The rated transfer capability less reductions during any hour caused by, but not limited to, physical limitations beyond the control of the control area operators, and operational limitations resulting from transmission line Outages, equipment Outages, stability limits and loop flow.
- ICAA 2.2.16** **Scheduling Coordinator:** An entity certified by the ISO for the purposes of undertaking the functions of: submitting schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other

Scheduling Coordinators; submitting forecast information; paying the ISO's charges; and ensuring compliance with ISO protocols.

ICAA 2.2.17 **Transmission Owner:** An entity owning transmission facilities or having firm contractual rights to use transmission facilities at the Interconnection.

ICAA 2.2.18 **WECC Reliability Coordinator:** One of the area control centers assigned by the WECC to proactively anticipate and mitigate potential problems, facilitate notification, and coordinate restoration following a disturbance.

ICAA 3 **OPERATIONAL RESPONSIBILITIES**

ICAA 3.1 **General Requirements**

ICAA 3.1.1 **Standards to Be Met**

Both the ISO and NEVP shall plan and operate the Interconnection in conformance with NERC standards, WECC MORC, and Good Utility Practice.

ICAA 3.1.2 **Existing Contracts**

The ISO will assume certain rights and responsibilities of Participating Transmission Owners in existing contracts, operating agreements, or procedures between NEVP and the Participating Transmission Owners regarding the Interconnection where those rights and responsibilities pertain to the coordinated operation of the interconnected control areas. The ISO and NEVP, after consulting with affected Transmission Owners, shall develop the procedures to be used regarding those rights and responsibilities mentioned herein. The specific provisions of the aforementioned agreements which are affected by this Operating Agreement and the procedures for implementing such existing agreements are identified by the ISO and NEVP in Service Schedule 2.

ICAA 3.1.3 **Communication**

The ISO and NEVP shall each operate and maintain a 24-hour, 7-day control center with real time scheduling and control functions. Appropriate control center staff will be provided by each Party who shall be responsible for operational communications and who shall have sufficient authority to commit and bind that Party.

ICAA 5.4 Import of Dynamically Scheduled Energy and Non-Regulation Ancillary Services by ISO

The ISO and NEVP shall allow for the import of dynamically scheduled energy and non-regulation ancillary services from the NEVP Control Area to the ISO Control Area in accordance with the provisions of Service Schedule 17. NEVP shall be under no obligation to supplement the import of dynamically scheduled energy and non-regulation ancillary services contracted by third parties to be delivered to the ISO Control Area from resources in the NEVP Control Area and shall have the right to terminate Service Schedule 17 without prior approval of the ISO, subject to NEVP providing the ISO a copy of the termination letter pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of dynamically scheduled energy and non-regulation ancillary services into the ISO Control Area. NEVP shall notify the ISO and provide to the ISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

ICAA 5.5 Pilot for Pseudo Tie to the ISO Control Area

The ISO and NEVP shall develop procedures for a pilot Pseudo Tie of the Copper Mountain Solar I photovoltaic project being developed by El Dorado Energy, LLC in the NEVP Control Area to the ISO Control Area. NEVP's agreement to develop procedures for a pilot Pseudo Tie of the Copper Mountain Solar I photovoltaic project does not obligate NEVP to any further Pseudo Tie arrangements for other projects in its Control Area. Either Party may, for any reason whatsoever, withdraw its participation in the above pilot Pseudo Tie arrangement upon sixty (60) days written notice to the other Party.

ICAA 6 OUTAGE COORDINATION

ICAA 6.1 Maintenance Coordination

Outages of facilities affecting the Interconnection shall be jointly coordinated by the ISO, NEVP, and the Transmission Owner(s) to minimize a reduction and the duration of such reduction to the operating limits of the Interconnection. The ISO and NEVP shall provide each other reasonable notice of Planned Outages and scheduled maintenance affecting the Interconnection in advance.

The ISO and NEVP shall review Planned Outages and scheduled maintenance to determine the feasibility of initiating the switching process. If, given the current or anticipated system conditions at the

Attachment C

Blacklines for Amendment No. 4

ICAOA

Between California ISO

and

Nevada Power Company

December 1, 2009

* * *

ICAA 2.2.14 **Pseudo Tie:** The point at which a generating facility is authorized to operate under the jurisdiction of the ISO Control Area but is electrically interconnected to the NEVP Control Area in which it is physically located, as provided for under this Agreement.

ICAA 2.2.145 **Real Time Operating Limits:** The rated transfer capability less reductions during any hour caused by, but not limited to, physical limitations beyond the control of the control area operators, and operational limitations resulting from transmission line Outages, equipment Outages, stability limits and loop flow.

ICAA 2.2.156 **Scheduling Coordinator:** An entity certified by the ISO for the purposes of undertaking the functions of: submitting schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the ISO's charges; and ensuring compliance with ISO protocols.

ICAA 2.2.167 **Transmission Owner:** An entity owning transmission facilities or having firm contractual rights to use transmission facilities at the Interconnection.

ICAA 2.2.178 **WECC Reliability Coordinator:** One of the area control centers assigned by the WECC to proactively anticipate and mitigate potential problems, facilitate notification, and coordinate restoration following a disturbance.

* * *

ICAA 5.5 **Pilot for Pseudo Tie to the ISO Control Area**

The ISO and NEVP shall develop procedures for a pilot Pseudo Tie of the Copper Mountain Solar I photovoltaic project being developed by El Dorado Energy, LLC in the NEVP Control Area to the ISO Control Area. NEVP's agreement to develop procedures for a pilot Pseudo Tie of the Copper Mountain Solar I photovoltaic project does not obligate NEVP to any further Pseudo Tie arrangements for other projects in its Control Area. Either Party may, for any reason whatsoever, withdraw its participation in the above pilot Pseudo Tie arrangement upon sixty (60) days written notice to the other Party.

* * *

CERTIFICATE OF SERVICE

In accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010), I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the following proceedings: ER00-2292; ER01-1995; ER04-855; and ER05-210.

Dated at Folsom, California this 30th day of November, 2009.

/s/ Anna Pascuzzo

Anna Pascuzzo