



May 27, 2010

Via Overnight Delivery

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

Re: California Independent System Operator Corporation

**Docket No. ER10-319-_____
Compliance Filing**

Dear Secretary Bose:

The California Independent System Operator Corporation submits an original and five copies of revisions to its tariff in compliance with the Commission's order issued in this proceeding on April 30, 2010.¹

The April 30 order directs the ISO to make four further sets of revisions to the tariff revisions filed in this proceeding:²

- Paragraph 48 of the order directs the ISO to revise the tariff sheets for revisions to tariff sections 9.3.10.3 and 9.3.10.3.1 to reflect an effective date of July 1, 2010.
- Paragraph 54 of the order directs the ISO to revise the definition of Eligible Intermittent Resource and the provisions of section 2.2.1 of tariff Appendix Q to make clear that Eligible Intermittent Resources are limited only to wind and solar resources subject to a Participating Generator Agreement or QF PGA and that metered subsystem operators are not required to execute a PGA.³

¹ Order Conditionally Accepting Proposed Tariff Revisions, Subject to Further Compliance Filings, *California Independent System Operator Corporation*, 131 FERC ¶ 61,087 (2010).

² The ISO is sometimes also referred to as the CAISO.

³ Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the ISO tariff.

The Honorable Kimberly D. Bose

May 27, 2010

Page 2

- Paragraph 55 of the order directs the ISO to revise the definition of Eligible Intermittent Resource to exclude small conduit hydroelectric facilities from the definition.
- Paragraph 57 of the order directs the ISO to incorporate its proposed exemption from the forecast fee into the tariff.

The following revisions to the ISO tariff in compliance with the April 30 order are set forth in Attachment A:

1. The tariff sheets for **Sections 9.3.10.3 and 9.3.10.3.1** (tariff sheets 182-183A) have been revised to show an effective date of July 1, 2010.
2. The **definition of Eligible Intermittent Resource in Appendix A** has been revised to delete the reference to small conduit hydroelectric facilities and limit its application only to wind and solar resources subject to a PGA or QF PGA.
3. **Schedule 4 of Appendix F** has been revised to insert an exemption from the forecast fee for Eligible Intermittent Resources smaller than 10 MW that are not Participating Intermittent Resources and that sold power pursuant to a power purchase agreement entered into pursuant to the Public Utility Regulatory Policies Act of 1978 prior to entering into a PGA or QF PGA.
4. **Section 2.2.1 of Appendix Q** has been revised to exclude resources not otherwise subject to this requirement under the ISO tariff, including those of a metered subsystem operator, from the requirement to execute a PGA or QF PGA.

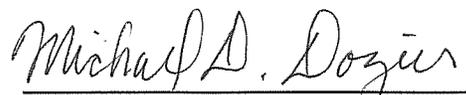
In addition to this transmittal letter, the instant compliance filing includes Attachments A and B. Attachment A contains clean tariff sheets incorporating the revisions to implement the April 30 order. Attachment B shows the revisions to the substantive provisions of the ISO tariff in blackline format to implement the April 30 order.

The ISO respectfully requests that the Commission accept the instant filing as complying with the directives of the April 30 order.

The Honorable Kimberly D. Bose
May 27, 2010
Page 3

An additional copy of this filing is enclosed to be date-stamped and returned in the enclosed prepaid Federal Express envelope. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,



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
mdozier@caiso.com

Counsel for the California Independent
System Operator Corporation

Attachment A – Clean sheets

Eligible Intermittent Resources compliance filing

ER10-319-___

May 28, 2010

9.3.10.2 Each Participating TO shall report any change or potential change in equipment status of the Participating TO's transmission assets turned over to the control of the CAISO or in equipment that affects transmission assets turned over to the control of the CAISO immediately upon discovery to the CAISO (this will include line and station equipment, line protection, Remedial Action Schemes and communication problems, etc.). Each Participating TO shall also keep the CAISO immediately informed upon discovery as to any change or potential change in the Participating TO's transmission system that could affect the reliability of the CAISO Controlled Grid. This would include, but is not limited to, adverse weather conditions, fires, bomb threats, system failures, etc. To the extent possible, the CAISO shall reflect all transmission Outages in the Integrated Forward Market, HASP, and Real-Time Market.

9.3.10.3 The following requirements apply to the advance reporting to the CAISO of anticipated and actual Forced Outages:

- (a) Any Operator, upon identification of a situation likely to result in a Forced Outage within the next twenty-four (24) hours unless immediate corrective action is taken, where such action requires the removing from service or reducing the maximum output capability of a Generating Unit or a Resource-Specific System Resource by ten (10) MW or more from the value most recently recorded in SLIC, or removing a transmission facility from service, shall communicate directly with the CAISO Control Center.

- (b) Notwithstanding Section 9.3.10.3(a), and unless otherwise exempted pursuant to the terms of a Business Practice Manual, the Operator of an Eligible Intermittent Resource with a PMax of greater than ten (10) MW for its entire generating facility, upon identification of a situation likely to result in a Forced Outage within the next twenty-four (24) hours unless immediate corrective action is taken, where such action requires the removing from service or reducing the maximum output capability of the Eligible Intermittent Resource generating facility by one (1) MW or more from the value most recently recorded in SLIC, shall communicate directly with the CAISO Control Center. The failure of the Operator of the Eligible Intermittent Resource to report a Forced Outage between one (1) MW and ten (10) MW in accordance with this Section 9.3.10.3(b) shall be subject only to the provisions of Section 37.4.1.2(a) and (b)(1) of Section 37.4.1.2.

All notifications of Forced Outages shall be communicated to the CAISO Control Center with as much notice as possible in order that the necessary security analysis and CAISO Controlled Grid assessments may be performed. If prior notice of a Forced Outage cannot be given, the Operator shall notify the CAISO of the Forced Outage within thirty (30) minutes after it occurs. Any Operator, upon identification of a situation likely to result in a Forced Outage but of a nature not requiring a removal from service until some time more than twenty-four (24) hours in the future will be subject to the provisions of Section 9 with respect to any necessary Outage except the requirements imposing time limits for notification will be waived and the request will be expedited by the CAISO provided notice is given as soon as possible.

9.3.10.3.1 The following requirements apply if prior notice of a Forced Outage cannot be given to the CAISO:

- (a) The Operator of a Generating Unit or a Resource-Specific System Resource is required to notify the CAISO within sixty (60) minutes after discovering any change in the maximum output capability of at least ten (10) MW or five percent (5%) of the value registered in the Master File, whichever is greater, from the value registered in SLIC that lasts for fifteen (15) minutes or longer.
- (b) Notwithstanding Section 9.3.10.3.1(a), and unless otherwise exempted pursuant to the terms of a Business Practice Manual, the Operator of an Eligible Intermittent Resource with a PMax of greater than ten (10) MW for its entire generating facility is required to notify the CAISO within sixty (60) minutes after discovering any change in the maximum output capability of the generating facility of at least one (1) MW from the value registered in SLIC that lasts for fifteen (15) minutes or longer. The failure of the Operator of the Eligible Intermittent Resource to report a Forced Outage between one (1) MW and ten (10) MW in accordance with this Section 9.3.10.3.1(b) shall be subject only to the provisions of Section 37.4.1.2(a) and (b)(1) of Section 37.4.1.2.

9.3.10.4 The CAISO Control Center shall coordinate any operational changes necessary to accommodate a Forced Outage and Market Participants shall comply with the CAISO's instructions given for that purpose.

9.3.10.5 All Forced Outages shall be communicated by the CAISO Control Center to Operators likely to be affected by the Outage using the same procedures adopted for Maintenance Outage coordination procedures.

Electric Facility	An electric resource, including a Generating Unit, System Unit, or a Participating Load.
Eligible Capacity	Capacity of Generating Units, System Units, System Resources, or Participating Load that is not already under a contract to be a Resource Adequacy Resource, is not under an RMR Contract or is not currently designated as ICPM Capacity that effectively resolves a procurement shortfall or reliability concern and thus is eligible to be designated under the ICPM in accordance with Section 43.1.
Eligible Customer	(i) any utility (including Participating TOs, Market Participants and any power marketer), Federal power marketing agency, or any person generating Energy for sale or resale; Energy sold or produced by such entity may be Energy produced in the United States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by Section 212(h)(2) of the Federal Power Act; and (ii) any retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by the Participating TO.
Eligible Intermittent Resource	A Generating Unit 1 MW or larger subject to a Participating Generator Agreement or QF PGA that is powered by wind or solar energy, except for a de minimis amount of Energy from other sources.
ELS Resource	Extremely Long-Start Resource
Emissions Cost Demand	The level of Demand specified in Section 11.18.3.
Emissions Cost Invoice	The invoice submitted to the CAISO in accordance with Section 11.18.6.
Emissions Costs	The mitigation fees, excluding capital costs, assessed against a Generating Unit by a state or federal agency, including air quality districts, for exceeding applicable NOx emission limitations.
Emissions Eligible Generator	A Generator with a Generating Unit that is a BCR Eligible Resource.
EMS	Energy Management System

CAISO TARIFF APPENDIX F
Schedule 4
Eligible Intermittent Resources Forecast Fee

A charge up to \$.10 per MWh shall be assessed on the metered Energy from Eligible Intermittent Resources as a Forecast Fee, provided that Eligible Intermittent Resources smaller than 10 MW that are not Participating Intermittent Resources and that sold power pursuant to a power purchase agreement entered into pursuant to PURPA prior to entering into a PGA or QF PGA shall be exempt from the Forecast Fee.

The rate of the Forecast Fee shall be determined so as to recover the projected annual costs related to developing Energy forecasting systems, generating forecasts, validating forecasts, and monitoring forecast performance, that are incurred by the CAISO as a direct result of participation by Eligible Intermittent Resources in CAISO Markets, divided by the projected annual Energy production by all Eligible Intermittent Resources.

The initial Forecast Fee, and all subsequent changes as may be necessary from time to time to recover costs incurred by the CAISO for the forecasting conducted on the behalf of Eligible Intermittent Resources pursuant to the foregoing rate formula, shall be set forth in a Business Practice Manual.

Participating Intermittent Resources Process Fee

A process fee charge shall be assessed, for each calendar quarter, to each Exporting Participating Intermittent Resource that exported Energy in the quarter. On an annualized basis, the aggregate quarterly charges shall total to \$10,000. The charge is not volumetric, and shall be calculated as follows:

$$(\$10,000/4)/N = \text{\$quarterly charge}$$

N = number of Participating Intermittent Resources exporting Energy in the quarter

Participating Intermittent Resources Export Fee

A Participating Intermittent Resources Export Fee shall be assessed to Exporting Participating Intermittent Resources each calendar month. The Participating Intermittent Resources Export Fee shall be calculated as the product of (1) the sum of all Settlement costs avoided by Participating Intermittent Resources for the preceding calendar month, or portion thereof, consisting of Charge Codes 6486 [Real Time Excess Cost For Instructed] and 1487 [Energy Exchange Program Neutrality], but excluding charges for Uninstructed Energy associated with Charge Code 6475, (2) by the ratio of the total MW/h generated by an Exporting Participating Intermittent Resource during the calendar month, or portion thereof (based on metered output), by the total MW/h generated by all Participating Intermittent Resources during the calendar month, or portion thereof (based on metered output), and (3) by the percentage of the Exporting Participating Intermittent Resource's capacity deemed exporting under Section 5.3 of the EIRP or PIR Export Percentage.

Participating Intermittent Resources Export Fee per Participating Intermittent Resource =

Program Costs x (MW/h individual Participating Intermittent Resource/MW/h all Participating Intermittent Resources) x PIR Export Percentage

APPENDIX Q

Eligible Intermittent Resources Protocol (EIRP)

1 SCOPE

1.1 Scope of Application to Parties

This EIRP applies to the CAISO and to:

- (a) Scheduling Coordinators (SCs);
- (b) Eligible Intermittent Resources; and
- (c) Participating Intermittent Resources.

1.2 Liability of the CAISO

Any liability of the CAISO arising out of or in relation to this EIRP shall be subject to Section 14 of the CAISO Tariff as if references to the CAISO Tariff were references to this EIRP.

2 REQUIREMENTS FOR ELIGIBLE AND PARTICIPATING INTERMITTENT RESOURCES

2.1 No Mandatory Participation

Eligible Intermittent Resources may elect to be scheduled and settled as the CAISO Tariff provides for Generating Units, and are not required to seek certification as Participating Intermittent Resources.

2.2 Minimum Certification Requirements

Those Eligible Intermittent Resources and Participating Intermittent Resources must meet the following requirements, as applicable.

2.2.1 Agreements

The following agreements must be executed by the owner or operator of any Eligible Intermittent Resource, unless that resource is not subject to any of these agreements pursuant to the CAISO Tariff, such as an Eligible Intermittent Resource of an MSS Operator:

- (a) A Participating Generator Agreement or QF PGA that, among other things, binds the Eligible Intermittent Resource to comply with the CAISO Tariff; and

Attachment B – Blacklines

Eligible Intermittent Resources compliance filing

ER10-319-___

May 28, 2010

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CAISO TARIFF APPENDIX A

Master Definitions Supplement

Eligible Intermittent Resource

A Generating Unit 1 MW or larger subject to a Participating Generator Agreement or QF PGA that is powered by wind or solar energy~~one of the following sources~~, except for a de minimis amount of Energy from other sources: ~~(1) wind, (2) solar energy, or (3) hydroelectric potential derived from small conduit water distribution facilities that do not have storage capability.~~

* * *

CAISO TARIFF APPENDIX F Schedule 4

Eligible Intermittent Resources Forecast Fee

A charge up to \$.10 per MWh shall be assessed on the metered Energy from Eligible Intermittent Resources as a Forecast Fee, provided that ~~a particular category of~~ Eligible Intermittent Resources ~~may smaller than 10 MW that are not Participating Intermittent Resources and that sold power pursuant to a power purchase agreement entered into pursuant to PURPA prior to entering into a PGA or QF PGA shall~~ be exempted ~~pursuant to the terms of a Business Practice Manual from the Forecast Fee.~~

The rate of the Forecast Fee shall be determined so as to recover the projected annual costs related to developing Energy forecasting systems, generating forecasts, validating forecasts, and monitoring forecast performance, that are incurred by the CAISO as a direct result of participation by Eligible Intermittent Resources in CAISO Markets, divided by the projected annual Energy production by all Eligible Intermittent Resources.

The initial Forecast Fee, and all subsequent changes as may be necessary from time to time to recover costs incurred by the CAISO for the forecasting conducted on the behalf of Eligible Intermittent Resources pursuant to the foregoing rate formula, shall be set forth in a Business Practice Manual.

Participating Intermittent Resources Process Fee

A process fee charge shall be assessed, for each calendar quarter, to each Exporting Participating Intermittent Resource that exported Energy in the quarter. On an annualized basis, the aggregate quarterly charges shall total to \$10,000. The charge is not volumetric, and shall be calculated as follows:

$$(\$10,000/4)/N = \$\text{quarterly charge}$$

N = number of Participating Intermittent Resources exporting Energy in the quarter

Participating Intermittent Resources Export Fee

A Participating Intermittent Resources Export Fee shall be assessed to Exporting Participating Intermittent Resources each calendar month. The Participating Intermittent Resources Export

Fee shall be calculated as the product of (1) the sum of all Settlement costs avoided by Participating Intermittent Resources for the preceding calendar month, or portion thereof, consisting of Charge Codes 6486 [Real Time Excess Cost For Instructed] and 1487 [Energy Exchange Program Neutrality], but excluding charges for Uninstructed Energy associated with Charge Code 6475, (2) by the ratio of the total MW/h generated by an Exporting Participating Intermittent Resource during the calendar month, or portion thereof (based on metered output), by the total MW/h generated by all Participating Intermittent Resources during the calendar month, or portion thereof (based on metered output), and (3) by the percentage of the Exporting Participating Intermittent Resource's capacity deemed exporting under Section 5.3 of the EIRP or PIR Export Percentage.

Participating Intermittent Resources Export Fee per Participating Intermittent Resource =

Program Costs x (MW/h individual Participating Intermittent Resource/MW/h all Participating Intermittent Resources) x PIR Export Percentage

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CAISO TARIFF APPENDIX Q

Eligible Intermittent Resources Protocol (EIRP)

* * *

2.2.1 Agreements

The following agreements must be executed by the owner or operator of any Eligible Intermittent Resource, unless that resource is not subject to any of these agreements pursuant to the CAISO Tariff, such as an Eligible Intermittent Resource of an MSS Operator:

- (a) A Participating Generator Agreement or QF PGA that, among other things, binds the Eligible Intermittent Resource to comply with the CAISO Tariff; and
- (b) A Meter Service Agreement for CAISO Metered Entities.

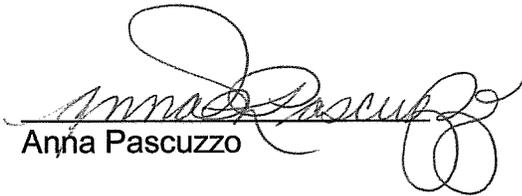
If an Eligible Intermittent Resource intends to become a Participating Intermittent Resource, it must also execute a letter of intent, which when executed and delivered to the CAISO shall initiate the process of certifying the Participating Intermittent Resource. The form of the letter of intent shall be specified by the CAISO in a Business Practice Manual.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned 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 this 27th day of May, 2010, at Folsom, California.


Anna Pascuzzo