

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator
Corporation

Docket No. ER01-991-000

NOTICE OF TECHNICAL CONFERENCE

(July 24, 2003)

The staff of the Federal Energy Regulatory Commission is convening a technical conference regarding Reliability Must-Run (RMR) generation and Must-Offer Minimum Load scheduling. The conference will be held on Tuesday, July 29, 2003, at the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC beginning at 9:30 a.m.

In a March 14, 2001 Order in Docket No. ER01-991-000, the Commission directed the California Independent System Operator (CAISO) to make tariff changes to reflect the demise of the PX markets. To date, these changes have not been submitted to the Commission. As a result, the CAISO states that it has been interpreting the existing tariff as requiring RMR unit owners that are pre-dispatched to find bi-lateral counterparties in order to satisfy the Tariff requirement to submit balanced schedules. Certain RMR unit owners have informed us that, when they were unable to find such a counterparty in the past, they have submitted a “dummy” load schedule to satisfy the balanced schedule requirement. Similarly, certain generators subject to the Must-Offer requirement state that they are required to schedule their minimum load ahead of real time and have been following the same practice of submitting a “dummy” load to balance their schedules.

We have been informed that, following the June 25, 2003 Order to Show Cause Concerning Gaming and/or Anomalous Market Behavior (EL03-137-000, et al.), parties have been reluctant to continue this practice in order to avoid the perception that they are violating the CAISO’s Market Monitoring and Information Protocol. This may result in situations in which parties are unable to schedule energy in the CAISO’s day ahead market because they have no corresponding load. Increased amounts of energy would then be delivered in real time as uninstructed imbalance energy which could cause significant operational problems for the CAISO.

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In preparation for this technical conference, parties should be ready to discuss their views on appropriate solutions to these problems that will be consistent with the parties' responsibilities under the RMR contracts and Must-Offer obligations. For additional information concerning the conference, interested persons may contact Robert Pease at "Robert.Pease@ferc.gov" or Colin Mount at "Colin.Mount@ferc.gov." No telephone communication bridge will be provided at this technical conference.

Magalie R. Salas
Secretary