

September 30, 2009

VIA OVERNIGHT DELIVERY

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20246

**Re: California Independent System Operator Corporation Errata to
September 28, 2009 Compliance Filing,
Docket No. ER08-1113-006**

Dear Secretary Bose:

On September 28, 2009, the California Independent System Operator Corporation (ISO) submitted a filing in compliance with the Federal Energy Regulatory Commission's (Commission) "Order on Rehearing and Clarification" issued on July 30, 2009.¹ The ISO inadvertently included erroneous repetitive language in the clean First Revised Sheet No. 1182A, filed in Attachment A to that filing, as well as corresponding blackline filed in Attachment B. Specifically, the ISO inadvertently included in one part of Section G.1.2 of Appendix C of the ISO FERC Electric Tariff the phrase "or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA" twice when it only intended to have that statement appear once.

The ISO now submits new clean sheet Substitute First Revised Sheet No. 1182A that replaces First Revised Sheet No. 1182A and excludes the erroneous repetitive language. In addition, the ISO submits a revised set of blacklines in Attachment B that also excludes the erroneous repetitive language and reflects the full set of blacklines for the Commission's consideration in the September 28 compliance filing.

The CAISO apologizes for any inconvenience caused by this error and respectfully requests that the Commission accept the revised tariff sheet and corresponding blackline sheets included hereto.

¹ *California Indep. Sys. Operator Corp.*, 128 FERC ¶ 61,103 (2009).

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Please contact the undersigned if you having any questions regarding this submission.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the 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 at Folsom, California this 30th day of September 2009.


Jane Ostapovich

Attachment A – Clean Sheets
IBAA Compliance Errata
Fourth Replacement CAISO Tariff
ER08-1113-006
October 1, 2009

effective MEEA, the default pricing for all imports from the IBAA(s) to the CAISO Balancing Authority Area will be based on the SMUD/TID IBAA Import LMP and all exports to the IBAA(s) from the CAISO Balancing Authority Area will be based on the SMUD/TID IBAA Export LMP. The SMUD/TID IBAA Import LMP will be calculated based on modeling of supply resources that assumes all supply is from the Captain Jack substation as defined by WECC. The SMUD/TID IBAA Export LMP will be calculated based on the Sacramento Municipal Utility District hub that reflects Intertie distribution factors developed from a seasonal power flow base case study of the WECC region using an equivalencing technique that requires the Sacramento Municipal Utility District hub to be equivalenced to only the buses that comprise the aggregated set of load resources in the IBAA, with all generation also being retained at its buses within the IBAA. The resulting load distribution within each aggregated set of load resources within the IBAA defines the Intertie distribution factors for exports from the CAISO Balancing Authority Area.

G.1.2 Applicable Marginal Losses Adjustment

For import Schedules to the CAISO Balancing Authority Area at the southern terminus of the California-Oregon Transmission Project at the Tracy substation that originate from transactions that (a) use the California-Oregon Transmission Project or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA, and (b) are charged losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA, the CAISO will replace the Marginal Cost of Losses at the otherwise applicable source for such Schedules with the Marginal Cost of Losses at the Tracy substation. The CAISO will establish Resource IDs that are to be used only to submit Bids, including Self-Schedules, for the purpose of establishing Schedules that are eligible for this loss adjustment. Prior to obtaining such Resource IDs, the relevant Scheduling Coordinator shall certify that it will only use this established Resource ID for Bids, including Self-Schedules, that originate from transactions that (a) use the California-Oregon Transmission Project or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA,

**Attachment B – Blacklines
IBAA Compliance
Fourth Replacement CAISO Tariff
October 1, 2009**

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CAISO TARIFF APPENDIX C

Locational Marginal Price

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G.1.2 Applicable Marginal Losses Adjustment

For import Schedules to the CAISO Balancing Authority Area at the southern terminus of the California-Oregon Transmission Project at the Tracy substation that originate from transactions that (a) use the California-Oregon Transmission Project [or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA](#), and (b) are charged losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project [or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA](#), the CAISO will replace the Marginal Cost of Losses at the otherwise applicable source for such Schedules with the Marginal Cost of Losses at the Tracy substation. The CAISO will establish Resource IDs that are to be used only to submit Bids, including Self-Schedules, for the purpose of establishing Schedules that are eligible for this loss adjustment. Prior to obtaining such Resource IDs, the relevant Scheduling Coordinator shall certify that it will only use this established Resource ID for Bids, including Self-Schedules, that originate from transactions that (a) use the California-Oregon Transmission Project [or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA](#), and (b) are charged for losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Further, by actually using such Resource ID, the Scheduling Coordinator represents that such Bids, including Self-Schedules, originate from transactions that (a) use the California-Oregon Transmission Project [or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA](#) and (b) are charged for losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Schedules and Dispatches settled under such Resource IDs shall be subject to an LMP which has accounted for the Marginal Cost of

Losses as if there were an actual physical generation facility at the Tracy Scheduling Point as opposed to the Marginal Cost of Losses under the IBAA LMPs specified in Section G.1.1 of this Appendix. The CAISO may request information on a monthly basis from such Scheduling Coordinators to verify that schedules for such Resource IDs originate from transactions using the California-Oregon Transmission Project [or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA](#) and are charged for losses by the Western Area Power Administration or Transmission Agency of Northern California. Any such request shall be limited to transactions that use the designated Resource IDs during the six month prior period to the date of the request. The CAISO will calculate a re-adjustment of the Marginal Cost of Losses at the Tracy substation to reflect the otherwise applicable source for such Schedules for any Settlement Interval in which the CAISO has determined that the Scheduling Coordinator's payments did not reflect transactions that (a) use the California-Oregon Transmission Project [or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA](#), and (b) are charged losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project [or other transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA](#). Any amounts owed to the CAISO for such Marginal Cost of Losses re-adjustments will be recovered by the CAISO from the affected Scheduling Coordinator by netting the amounts owed from payments due in subsequent Settlements Statements until the outstanding amounts are fully recovered.

[For export Schedules from the CAISO Balancing Authority Area at the southern terminus of the California-Oregon Transmission Project at the Tracy substation that \(a\) use the California-Oregon Transmission Project, and \(b\) are charged losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project, the CAISO will replace the Marginal Cost of Losses at the otherwise applicable sink for such Schedules with the Marginal Cost of Losses at the Tracy substation. The CAISO will establish Resource IDs that are to be used only to submit Bids, including Self-Schedules, for the purpose of establishing Schedules that are eligible for this loss adjustment. Prior to obtaining](#)

such Resource IDs, the relevant Scheduling Coordinator shall certify that it will only use this established Resource ID for Bids, including Self-Schedules, that originate from transactions that (a) use the California-Oregon Transmission Project, and (b) are charged for losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Further, by actually using such Resource ID, the Scheduling Coordinator represents that such Bids, including Self-Schedules, originate from transactions that (a) use the California-Oregon Transmission Project and (b) are charged for losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Schedules and Dispatches settled under such Resource IDs shall be subject to an LMP which has accounted for the Marginal Cost of Losses as if there were an actual physical generation facility at the Tracy Scheduling Point as opposed to the Marginal Cost of Losses under the IBAA LMPs specified in Section G.1.1 of this Appendix. The CAISO may request information on a monthly basis from such Scheduling Coordinators to verify that schedules for such Resource IDs originate from transactions using the California-Oregon Transmission Project and are charged for losses by the Western Area Power Administration or Transmission Agency of Northern California. Any such request shall be limited to transactions that use the designated Resource IDs during the six month prior period to the date of the request. The CAISO will calculate a re-adjustment of the Marginal Cost of Losses at the Tracy substation to reflect the otherwise applicable sink for such Schedules for any Settlement Interval in which the CAISO has determined that the Scheduling Coordinator's payments did not reflect transactions that (a) use the California-Oregon Transmission Project, and (b) are charged losses by the Western Area Power Administration or Transmission Agency of Northern California for the use of the California-Oregon Transmission Project. Any amounts owed to the CAISO for such Marginal Cost of Losses re-adjustments will be recovered by the CAISO from the affected Scheduling Coordinator by netting the amounts owed from payments due in subsequent Settlements Statements until the outstanding amounts are fully recovered.

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