

99 FERC - 61, 309
 UNITED STATES OF AMERICA
 FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
 William L. Massey, Linda Breathitt,
 and Nora Mead Brownell.

California Independent System
 001
 Operator Corporation

Docket No. ER02-922-

ORDER ACCEPTING COMPLIANCE FILING

(Issued June 13, 2002)

On April 11, 2002, the California Independent System
 Operator System (Cal ISO) filed to comply with the Commission's

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March 27, 2002 order (March 27 order) which accepted in part and
 rejected in part Tariff Amendment No. 42. The Cal ISO was
 directed, among other things, to file revised tariff sheets
 relating to a proposal to create an Intermittent Resource
 Program. As discussed below, the Commission accepts the filing
 as in compliance with the March 27 order.

I. Background

On January 31, 2002, the Cal ISO filed Amendment No. 42
 proposing changes to its Open Access Transmission Tariff (OATT)
 relating to participation in the ISO markets by Eligible
 Intermittent Resources, allocation of ISO Settlement Charge Type
 487, management of intra-zonal congestion, and the calculation of
 the target price for incremental and decremental Imbalance Energy
 bids.

In its March 27 order, the Commission found the Cal ISO's
 proposal for an Intermittent Resources Program to be reasonable.
 The Commission noted the Cal ISO's commitment to monitor the
 Intermittent Resources Program and to take corrective measures to
 the program, if and when needed. The Commission also accepted
 the Cal ISO's proposal to file a status report on the program
 with the Commission in 16 months. The Commission, however,
 directed the Cal ISO to file either a tariff filing to expand the
 program to include intermittent resources with existing contracts
 or an explanation as to why these parties should not be included
 in the Intermittent Resources Program. Finally, the Commission
 directed the Cal ISO to include the technical standards for
 Participating Intermittent Resources into the ISO Tariff rather

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98 FERC - 61,327 (2002).

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than posting the standards on the Cal ISO's home page as originally proposed.

The Commission rejected in the March 27 order the Cal ISO's proposal for intra-zonal congestion management noting that, while the Cal ISO has identified a problem in implementing its intra-zonal congestion management mechanism, the Commission was not convinced that Amendment No. 42's proposal for managing intra-zonal congestion was the appropriate remedy. The Commission directed that, rather than implement a piecemeal, short-term repair, the Cal ISO should include a proposal for intra-zonal congestion management in its comprehensive market redesign

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proposal to be filed on May 1, 2002.

The Commission also rejected the Cal ISO's proposal to modify the methodology for calculating the target price for incremental and decremental Imbalance Energy bids in the March 27 order. The Commission found that the target price methodology modifications and penalty for uninstructed deviation lacked sufficient detail and were premature, and directed the Cal ISO to address this issue in the comprehensive market redesign proposal.

Finally, the Commission noted in the March 27 order that, as several interveners pointed out in their protests to Amendment No. 42, the Cal ISO made a number of modifications to its OATT that were not specifically identified in its transmittal letter or supported with any evidence. The Commission reminded the Cal ISO that any and all proposed tariff modifications filed with the Commission must be accompanied by appropriate explanation and

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support.

II. Cal ISO's Compliance Filing

The Cal ISO made this compliance filing in response to the Commission's directive in its March 27 order. The Cal ISO included in the filing tariff modifications to expand the eligibility for the Intermittent Resources Program to intermittent resources with existing contracts. The Cal ISO also included standards for Participating Intermittent Resources to be added to the ISO Tariff.

The Cal ISO eliminated all proposed tariff modifications relating to changes in management of intra-zonal congestion and changes in the calculation of the target price for incremental

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See San Diego Gas & Electric Company, et al., 97 FERC - 61,275 (2002); see also California Independent System Operator Corporation, Comprehensive Market Design Proposal (MD02), Docket

Nos. EL00-95-001 and ER02-1656-000.

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See 18 C.F.R. 35.13 (2001).

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and decremental Imbalance Energy bids in the compliance filing. The Cal ISO also eliminated the unidentified and unsupported modifications.

III. Notice, Interventions and Protests

Public notice of the Cal ISO's filing was published in the Federal Register, 67 Fed. Reg. 19,744 (2002), with comments due on May 2, 2002. The American Wind Energy Association (AWEA) filed comments on the Cal ISO compliance filing on May 2, 2002.

AWEA supports the Cal ISO's compliance filing, specifically the Intermittent Resources Program. AWEA points out that the Intermittent Resources Program was developed as part of a collaborative effort including the Cal ISO and other interested parties working together as the Intermittent Resources Working Group. AWEA notes that while the Cal ISO and the other participants in this group have informally recognized the need for ongoing consultation, this understanding is not reflected in the tariff or in the Eligible Intermittent Resources Protocol. AWEA requests the Commission to require the Cal ISO to consult with the Intermittent Resources Working Group prior to revising any ISO Tariff provision relating to the Intermittent Resources program. The AWEA included in their comments a list of specific ISO Tariff provisions that should be amended to reflect this responsibility to consult with the group.

IV. Discussion

The Commission finds that the Cal ISO has complied with the directives of the March 27 order in this compliance filing. Accordingly, the filing is accepted as in compliance with that order.

The Commission will not adopt AWEA's proposal to revise the ISO Tariff further to require the Cal ISO to consult with the Intermittent Resources Working Group prior to revising the Intermittent Resources Program provisions in the tariff. The current procedures of consultation have proven to be successful, and officially incorporating such a requirement into the tariff is not necessary. However, the Commission encourages the Cal ISO to continue the collaborative efforts used during the development of the Intermittent Resources Program for any future revisions to the program.

The Commission orders:

The Cal ISO's April 11, 2002 filing is accepted as in

compliance with the March 27, 2002 Commission order.

By the Commission.

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(S E A L)

Linwood A. Watson, Jr.,
Deputy Secretary.