

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

California Independent System Operator Corporation)	Docket Nos. ER09-556-000,
)	ER08-367-003,
)	and ER06-615-039

MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO MODIFY THE EFFECTIVE DATE OF CERTAIN TARIFF REVISIONS

The California Independent System Operator Corporation (“ISO”)¹ hereby files this motion to modify the effective date of certain revisions to the ISO tariff that the Commission accepted in the order issued in these proceedings on March 24, 2009.² Specifically, the ISO requests that it be permitted to postpone, until November 5, 2009, the effective date of the revisions to Sections 34.5(10), 34.15.1(c), and 34.15.5 concerning “simplified ramping” (collectively, “Simplified Ramping Tariff Provisions”) which are currently scheduled to go into effect on October 1, 2009. As explained below, this postponement is necessary because the software modifications needed to implement the Simplified Ramping Tariff Provisions are not complete and, therefore, not ready for testing and market simulation in time for implementation on October 1st. Because there is still some uncertainty concerning the software implementation schedule, the ISO plans to file an informational report with the Commission on October 15, 2009, to confirm

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO tariff, and except where otherwise noted, references to section numbers refer to sections in the ISO tariff. The ISO is sometimes referred to as the CAISO.

² *California Independent System Operator Corp.*, 126 FERC ¶ 61,262 (2009) (“March 24 Order”). The ISO submits this motion pursuant to Rule 212 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.212.

whether the software revisions needed to implement simplified ramping are on track for the proposed November 5th effective date.

I. Background

Section 34.5 sets forth the principles that the ISO observes in conducting dispatch activities, Section 34.15.1 sets forth the resource physical constraints that are enforced by the ISO's security constrained economic dispatch, and Section 34.15.5 concerns inter-hour dispatch of resources without real-time energy bids.

The ISO, in the tariff amendment it submitted in these proceedings on January 15, 2009, proposed a number of discrete clarifications to the ISO tariff for which it initially requested an effective date of March 31, 2009.³ The clarifications included the Simplified Ramping Tariff Provisions, which were intended to reflect software changes to implement a "simplified" approach to the treatment of ramp rates utilized by the ISO's software, for the purpose of co-optimizing energy scheduling and ancillary services procurement over multiple market intervals.⁴

On March 6, 2009, the ISO filed in these proceedings a motion to modify the initially proposed March 31 effective date of the Simplified Ramping Tariff Provisions, so that they would instead go into effect on October 1, 2009. The ISO explained that the modified effective date was necessary because its testing process indicated that the software modifications needed to implement the

³ March 31 was the date when the new market under which the ISO currently operates went into effect.

⁴ Despite the ISO's nomenclature, the software changes have proved to be more technically challenging than anticipated and, accordingly, not "simple."

Simplified Ramping Tariff Provisions were not performing well enough to be included in the software to go into effect on the “go-live” date of the ISO’s new market, March 31. Also, the ISO explained that other software improvements had enhanced the performance of the existing ramping methodology under the ISO tariff, and therefore deferring the implementation of the Simplified Ramping Tariff Provisions would pose no significant performance issues. The ISO stated that it would continue to develop the software modifications required for simplified ramping and that it anticipated that the software would be ready for implementation on October 1st.

In the March 24 Order, the Commission granted the ISO’s March 6 motion and accepted the Simplified Ramping Tariff Provisions effective October 1st.⁵ The Commission explained that it “finds the CAISO’s proposed modifications [*i.e.*, the Simplified Ramping Tariff Provisions] and requested effective date just and reasonable,” and that “deferring the new ramping methodology effective date does not undermine the continued justness and reasonableness of sections 34.5(10), 34.15.1(c), and 34.15.5 until the revisions to those sections go into effect.”⁶

Since the issuance of the March 24 Order, the ISO has continued to develop and test the software required to implement the simplified ramping functionality. However, the progress the ISO has been able to make in the development and testing of the software indicates that the software will not be

⁵ The Commission also conditionally accepted all of the other revisions contained in the ISO’s tariff amendment effective March 31. March 24 Order at Ordering Paragraph (A). On March 30, 2009, the ISO submitted a filing to comply with the directives in the March 24 Order. Commission action on the March 30 filing is pending.

⁶ *Id.* at P 102.

ready for implementation by October 1st. Consistent with these ISO determinations, on September 4, 2009, the ISO issued a market notice announcing the delay of the market simulation for the simplified ramping functionality that was scheduled for September 8, 2009. In the September 4th market notice, the ISO also stated that it would issue another market notice announcing a new market simulation start date after the ISO was able to reach a solution that meets the requirements of the functionality.⁷

II. Request to Modify the Effective Date of the Simplified Ramping Tariff Provisions

As discussed above, due to the challenges the ISO has experienced in developing and testing the necessary software to implement the Simplified Ramping Tariff Provisions, it will not be possible for the ISO to deploy the functionality to production by October 1st. Therefore, the ISO requests that the Commission permit the ISO to modify the effective date of the Simplified Ramping Tariff Provisions, allowing these tariff revisions to become effective on November 5, 2009.⁸

This ISO request will in no way detract from the justness and reasonableness of the currently effective ISO tariff language that the Simplified Ramping Tariff Provisions would modify. Moreover, experience to date indicates that the existing software is performing well although the Simplified Ramping

⁷ The market notice is available on the ISO's website at <http://www.caiso.com/docs/2000/06/01/2000060115470223946.html>.

⁸ November 1, 2009, is the date that Daylight Savings Time ends. Prudent utility practice for the implementation of market software, like the ISO's new market software, precludes putting significant software enhancements into effect within several days before or after a time change. November 5th will be the first prudent promotion opportunity after November 1st. As such, the ISO proposes a new effective date for the Simplified Ramping Tariff Provisions of November 5th.

Tariff Provisions are important in that additional benefits, as previously discussed in the January 15th tariff amendment filing, will be realized and are foundational to other software enhancements to be implemented in 2010. As the Commission explained in the March 24 Order, although the Simplified Ramping Tariff Provisions are just and reasonable, deferring the effective date of the Simplified Ramping Tariff Provisions does not undermine the “continued justness and reasonableness” of the current tariff language.⁹ All tariff language that the Commission accepts as just and reasonable continues to be so absent a later Commission finding, in a proceeding established pursuant to Section 206 of the Federal Power Act, that the language has become unjust and unreasonable.¹⁰ Therefore, the delay in the implementation of simplified ramping will not have an adverse impact on market participants.

Following Commission approval of the November 5, 2009, effective date, the ISO will submit a compliance filing with revised tariff sheets that reflect that modified effective date.¹¹

Although the ISO believes November 5th is an attainable implementation date for the Simplified Ramping Tariff Provisions based on the current testing status, the potential remains for further issues in the testing and variance

⁹ March 24 Order at P 102.

¹⁰ See Section 206(a) of the Federal Power Act, 16 U.S.C. § 824e(a); *California Independent System Operator Corp.*, 121 FERC ¶ 61,281, at P 44 (2007).

¹¹ It has also come to the ISO's attention that clean Tariff Sheet No. 639 submitted in the ISO's March 30, 2009, compliance filing in this proceeding inadvertently did not reflect the deletion of the phrase “the Regulation Ramp Rate of the resource rather than” from Section 34.5(10) as proposed by the ISO in its January 15th tariff amendment and accepted by the Commission in Paragraph 102 of the March 24 Order. The clean and black-lined sheets in the January 15th filing correctly reflected the deletion of this phrase. The ISO will correct this error in its compliance filing reflecting the November 5, 2009, effective date for the Simplified Ramping Tariff Provisions.

correction process of the simplified ramping software. Over the course of the next four weeks, the ISO will evaluate the ongoing efforts required to deploy the simplified ramping software. The ISO plans to file an informational report on October 15, 2009, to update the Commission and interested market participants on these matters.

III. Conclusion

For the reasons explained above, the Commission should grant the requested modification to the effective date for the Simplified Ramping Tariff Provisions, as requested by the ISO.

Respectfully submitted,

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Dated: September 11, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in 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 Washington, D.C. this 11th day of September, 2009.

/s/ Bradley R. Miliauskas
Bradley R. Miliauskas