

Response to Stakeholder Comments on Draft Tariff Language Reliability Coordinator Services Rate Design, Terms, and Conditions

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
General comments	NaturEner USA, LLC, on behalf of NaturEner Power Watch, LLC and NaturEner Wind Watch, LLC (together, NaturEner)	<p>Continues to object to the draft Tariff and its draft RCSCA's discriminatory pricing-related provisions as applied to generation-only balancing authorities (BAs), which results in generation-only BAs subsidizing traditional BAs with load and transmission.</p> <p>Argues that contrary to the CAISO's assertions of engineering support, the amount of attention and resources an RC must devote to a generation-only BA and the risk of a generation-only BA are far less than a load-serving BA, and it is inequitable to charge generation-only BAs the same dollar/MWh rate as the CAISO's draft tariff and RCSCA currently propose to do.</p> <p>Asserts that the CAISO's argument regarding the "variable nature" of NaturEner's BAs is a red herring. As NERC-certified BAs, generation-only BAs are required to comply with applicable NERC BA standards</p>	<p>The CAISO's draft tariff language regarding the rates for generation-only balancing authorities reflects the proposal approved by its Board. The overall rate structure approved by the Board also includes a cost of service study review every three years, which will be conducted in 2020. The CAISO at that time will consider the level of effort required to perform the individual tasks that support the RC function which determines the overall rate. This will provide another opportunity for RC Customer engagement with respect to the RC Service Charge.</p> <p>With respect to the comments on the BPM, CAISO plans to publish a draft of the BPM for stakeholder review, and stakeholders will have an opportunity to provide input consistent with the CAISO's BPM change management process.</p>



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		<p>regardless of the make-up of their generation fleet, just like any other NERC-certified BA. NaturEner's generation-only BAs are no more variable from the point of view of the RC Services which need to be provided than any other BA. Moreover, other generation-only BAs may have an entirely different generation mix altogether from NaturEner's (e.g., the generation source of other generation-only BAs may be a synchronous generating facility), but under the CAISO's draft Tariff and RCSA these other generation-only BAs are still proposed to be levied the same unfair generation-only BA rate.</p> <p>Asserts that the CAISO's argument of the "possibility of two separate RCs in the same area" is similarly meritless. First, it is pure speculation at this point regarding how many RC areas may end up being located near NaturEner's two generation-only BAs. Second, if there is more than one RC in the Western Interconnection, by definition there will seams within the Western Interconnection. However, if seams do</p>	



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		<p>end up being located in that area, there is no way to tell at this time whether these would result in any more seams in the Western Interconnection than would otherwise be present. Finally, even if there do end up being two separate RC areas near the two NaturEner generation-only BAs, this would also be true for various other traditional load-serving BAs in that area, as well as true for various other BAs in the Western Interconnection footprint who may happen to be located in an area in which two RCs operate nearby, which other BAs are not being requested to pay any greater amount due to this future possibility. The CAISO's possibility of two separate RCs in the area argument, for numerous reasons, does not justify a discriminatory pricing proposal.</p> <p>Thus the draft Tariff and RCSA's provisions regarding proposed pricing for RC Services as it applies to generation only balancing authorities, including without limitation the definition of "Net Generation" and Appendix F, Section 7, must be revised to provide</p>	



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		<p>fair and equitable treatment to generation-only BAs.</p> <p>NaturEner would like to see pricing for generation-only BAs which provides better, or at the very least equal, treatment for such BAs as compared to the current Peak Funding Agreement. The costs for the CAISO's RC services for generation-only BAs should be less (or at the very least no more) than what they currently pay to the incumbent RC.</p> <p>The draft Tariff language and draft RSCA in numerous places items incorporate by reference content in the Business Practice Manual for RC Services. As that has yet to be issued, NaturEner reserves comment on those items, but notes that at a minimum such a manual should provide for timely, meaningful and effective input by RC Customers.</p>	
General comments	Snohomish County Public Utility District No. 1	Supports the edits and comments concurrently submitted by the Bonneville Power Administration to the draft tariff language.	Understood.



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11.20.9	Modesto Irrigation District (MID)	Change “Reliability Coordinator Charges” to “Reliability Coordinator Services Charges” in section headings.	
11.20.9.1	MID	Suggests following clarifying edits: Each <u>Scheduling Coordinator in the CAISO Balancing Authority Area’s Scheduling Coordinator’s</u> responsibility for <u>RC Services</u> Reliability Coordinator Charges shall be allocated based on the Scheduling Coordinator’s <u>share of NERC/WECC Metered Demand of the total NERC/WECC Metered Demand for the CAISO Balancing Authority Area.</u>	The CAISO agrees to make these changes.
11.20.9.2	MID	Suggests following clarifying edits: <u>The CAISO will provide Scheduling Coordinators with an RC Services Invoice by the first business day of each calendar year for RC Services to be provided during that calendar year, except for the initial year period of RC Services. The initial period of RC Services which</u> will be invoiced from the <u>RC Services Date, as determined in</u>	The CAISO agrees to make these changes.



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		<p><u>accordance with Section 19.2(b)(6) until through the end of that calendar year, and will be invoiced at the same time the CAISO invoices RC Customers for the year following that the initial year period. The initial period will be prorated based on the portion of time during the initial calendar year the service is provided.</u></p>	
11.20.9.4(a)	Idaho Power Company (IPC)	Proposes to extend the listed time period from five to 21 Business Days, which is the same amount of time as that market participants have to pay the invoices. Also, conforms with IPC's proposed revision to tariff section 19.7(d)(3).	The CAISO agrees to make this change. All response timelines will be updated to reflect a 21 business day turnaround. See also the discussion below with respect to section 19.6 and 19.7.
11.20.9.4(a)	Metropolitan Water District of Southern California (MWD)	The period of five Business Days is a very short period for validation and requests that the CAISO consider extending the period to 15 Business Days to allow the RC Customer to notify its Balancing Authority, Transmission Operators, and Transmission Owners.	See response to IPC above.
11.20.9.5(a)	MWD	Proposes the following edits: "Scheduling Coordinators shall be prohibited from disputing any RC <u>Services</u> <u>reliability</u> Charge, except on grounds that an error in the invoice <u>is</u>	The CAISO will make the changes proposed in response to stakeholder comments concerning Section 19.7(d)(4). The reference to "typographical or other ministerial error" is existing tariff language in this section. However, the changes



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		due to a mere typographical or other ministerial error by the CAISO.”	proposed in response to comments concerning section 19.7 are consistent with the intent of this language and therefore consistent with the CAISO’s Board-approved proposal.
11.20.9.5(a) and -(c)	IPC	Proposes revisions to these sections to conform with IPC’s proposed revisions described below to tariff sections 19.7(d)(4) and -(6).	See below.
11.20.9.5(c)	MWD	Proposes the following edits: “If the CAISO determines that an invoice contains an typographical or other ministerial error, and the resolution of the dispute makes correction necessary, the CAISO will issue a corrected invoice within 21 15 Business Days of the date the initial invoice was issued.”	See above.
11.20.9.5(d)	IPC	Proposes revisions to the section to conform with IPC’s proposed revisions described below to tariff section 19.7(d)(6)(B).	See below.
11.20.9.6	MWD	Suggests that this section be modified so that the collection of funds due to an RC Customer default will be captured in the next CAISO annual budgetary process.	The CAISO maintains that it is important that it have the ability to re-allocate and collect unpaid amounts. Note, however, that this specific section only addresses the re-allocation of costs invoiced to



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			Scheduling Coordinators that serve load in the CAISO BAA.
11.20.9.6(c)	IPC	Proposes to change the time period in the section from 15 to 21 Business Days consistent with IPC's proposed revisions discussed below to tariff sections 29.7(e)(5)(B) and -(C).	The CAISO agrees to make this change.
14.7.1	Arizona Public Service Company (APS)	<p>States that giving due consideration to CAISO's intent to leverage market-related and other existing processes as part of its RC services, submits that circumstances could arise where penalty allocations will need to be made to both market participants and RC Services Customers. For this reason, proposes revisions that are intended to provide CAISO with maximum flexibility to allocate penalties as necessary to both market participants <u>and</u> RC Services Customers where alleged violations occur as a result of shared infrastructure, processes, etc.:</p> <p>"This Section 14.7 also sets forth procedures through which the CAISO may seek, with FERC approval, to recover, in whole or in part, from <u>RC Customers and</u> Market Participants the cost associated with a monetary penalty</p>	The CAISO declines to make these changes as the CAISO believes that the existing language adequately captures the ability of the CAISO to allocate penalties to both Market Participants and RC Customers. In particular, the context indicates that the use of "or" is inclusive rather than exclusive and that is what is intended.



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		for a NERC Reliability Standards violation(s) that is not subject to direct allocation.”	
14.7.2 (including subsections thereto)	APS	For the reasons described immediately above, proposes a number of revisions similar to the one shown above, to add the phrase “RC Customer(s) and/or” before the existing references to “Market Participant(s)”.	See above.
14.7.2	Bonneville Power Administration (BPA)	Comments that BPA again requests that the CAISO reconsider its position on the direct allocation of penalties.	This policy was included in and approved as part of the CAISO’s Board-approved proposal.
14.7.2.2	MWD	<p>Suggests that “RC Customer” be inserted into the title of this subsection, so that it reads “Notice to <u>RC Customer and</u> Affected Market Participant.”</p> <p>Also proposes modifications to the following language:</p> <p>“(i) inform the <u>RC Customer(s) and</u> Market Participant(s) that the CAISO intends to invoke the direct allocation provisions of this Section; (ii) detail the underlying factual basis for the CAISO’s position; and (iii) inform the <u>RC Customer(s) and</u> Market Participant(s) that it may seek to participate in the</p>	The CAISO will make changes to this heading and section to add references to RC Customers consistent with its other edits to Section 14.7.



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		CMEP proceeding or, if applicable, the enforcement proceeding directly instituted by FERC.”	
14.7.2.5	MWD	Comments that pursuant to Section 17.7.2.4, any FERC penalties levied against RC Customers should be allocated based on the proportion of each entity’s relative fault. Further states that the allocation of such penalties in Section 14.7.2.5, however, should address how each RC Customer’s allocations will be applied to its respective Balancing Authority Areas, Transmission Operators, and Transmission Owners listed in Schedule 1 of the RC Service Agreement. Adds that this allocation also should be based on the proportion of each entity’s relative fault and therefore, only those entities, but not necessarily all entities, listed in Schedule 1 of the RC Service Agreement that were found to be at fault will be allocated a penalty.	The CAISO declines to make further substantive changes to this language, as the policy reflected in Section 14.7 was included in and approved as part of the CAISO’s Board-approved proposal.
14.7.3 (including subsections thereto)	APS	For the reasons described above for Section 14.7.1, proposes a number of revisions to add the phrase “RC Customer(s) and/or” or “RC Customer(s) or” before the existing references to “Market Participants”.	See above.



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14.7.3.1	Portland General Electric Company (PGE)	<p>Requests that the CAISO established a default formula for penalty allocation. Finds that proposing a methodology in each 205 filing adds unnecessary uncertainty and conflict that would distract from addressing the root cause of the penalty.</p> <p>Recommends that the CAISO adopt the same formula that is used for annual charges as the default formula for penalty allocation, but is open to considering other default formulas proposed by the CAISO.</p>	<p>Amending the CAISO’s existing penalty allocation provisions is outside the scope of this initiative. With regards to what seems to be a concern with respect to multiple potential allocation approaches, as noted in the draft final proposal, the CAISO has never actually had to invoke this language. In addition, the ultimate allocation is subject to FERC review and having a default allocation may not be appropriate when the premise is to determine what is just and reasonable on a case by case basis.</p>
14.7.3.3	MWD	<p>Comments that consistent with its comment regarding Section 14.7.2.5, it suggests adding similar language to address the appropriate allocation of penalties.</p>	<p>See above.</p>
19.1(a)	BPA	<p>Proposes to revise the section to read:</p> <p>“Pursuant to Section 19, tThe CAISO will provide RC Services to RC Customers that execute the Reliability Coordinator Services Agreement (RCSA) <u>and to the CAISO Balancing Authority. All capitalized terms are defined in Appendix A of the CAISO Tariff.</u>”</p>	<p>The CAISO agrees to make these changes.</p>



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19.1(b)	BPA	<p>Proposes to revise this section to read:</p> <p>“Tariff Obligations. RC Customers must comply with –</p> <p>(1) the provisions of Section 19; and</p> <p>(2) other provisions of the CAISO Tariff that apply to the extent such provisions –</p> <p>(A) expressly refer to Section 19 or RC Customers; <u>or</u></p> <p>(B) are cross referenced in Section 19; or</p> <p>(C) are not limited in applicability to the CAISO Controlled Grid, the CAISO Balancing Authority Area, or the CAISO Markets.”</p> <p>Comments that aside from definitions, there does not appear to be other tariff provisions that this subsection would apply to. It also introduces increased complexity for RC customers, which would presumably have to keep track of all CAISO tariff changes outside of</p>	<p>In addition to definitions, the CAISO’s general rules of interpretation would also apply pursuant to this provision. The CAISO is concerned that attempting to list every section that meets the criteria of the indicated language could significantly inflate Section 19. However, the CAISO will take this under advisement and determine whether more specific references can be added here. This will require a time consuming review. Nonetheless, the CAISO is hopeful it can be determined that the necessary references are limited to the definitions and rules of interpretation, in which case the CAISO will propose to include specific references to those general sections here.</p>



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		section 19 to see if they apply to them. For definitions, it does not seem that the current language would work because a party does not comply with definitions. If definitions need to be mentioned, suggests language above.	
19.1(b)(2)(A)	NaturEner	Argues that the section is extremely broad, does not provide much assistance or clarity, and would likely be more helpful if reformatted to be written in slightly different manner. The CAISO Tariff is currently over 2,700 pages long. Instead of a general statement that all other provisions are applicable to RC Customers unless the provisions are limited in application to certain subjects, the Tariff should clearly identify which provisions are applicable.	See response to BPA above.
19.1(b)(2)(C)	APS	Asserts that the overly broad nature of the referenced provision could result in applicability of Tariff provisions that are unintended as well as the potential that RC Services customer might be unintentionally non-compliant with such provisions. Recommends striking or clarifying the provision.	See response to BPA above.
19.1(b)(2)(C)	PacifiCorp	Requests that the ISO articulate which specific provisions of its tariff are included under this section to ensure	See response to BPA above.



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		that other ISO operations do not affect the independence of the Reliability Coordinator.	
19.1(b)(3)	NaturEner	Understands that the draft Tariff needs certain flexibility to account for the fact that April 1 of a given year may be a weekend or a holiday, but the statement that the “CAISO shall in its discretion determine the RC Services Date . . .” is too broad as written and places no limits on the CAISO. The language should be tightened to limit unfettered discretion by the CAISO.	No such section. This comment appears to relate to Section 19.2(b)(4) and is addressed in response to comments on that Section below.
19.1(b)(6)	NaturEner	Argues that the language in this section needs to be tightened. As written, it provides a “no earlier than” dates but does not provide any – but clearly should provide – “no later than” dates. Also, if any such dates have or will be adjusted, the provision needs to reflect those dates.	No such section. This comment appears to relate to Section 19.2(b)(6) and is addressed in response to comments on that Section below.
19.1(d)	BPA	Proposes to revise the section to read: “If there is an inconsistency between a provision <u>of the CAISO Tariff in this Section 19</u> and an obligation, <u>definition,</u> or requirement set forth in an applicable NERC Reliability Standard <u>or the NERC Glossary</u> , the NERC Reliability	The CAISO declines to make these changes. The CAISO will make an edit to make clear that both provisions in Section 19 and any other tariff provisions applied to RC Customers through Section 19 will be subject to this conflict language. The



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		<p>Standard <u>or the NERC Glossary</u>- shall prevail to the extent of the inconsistency.”</p> <p>Comments that since CAISO’s/RC Customer’s rights and obligations extend past section 19, it seems like this section should be broader. Otherwise it is unclear what happens if, say, something in section 20 is inconsistent with a NERC standard.</p>	<p>CAISO does not believe that a reference to the CAISO Tariff as a whole is appropriate given the scope of this initiative.</p> <p>With respect to the suggestion to add a reference to the NERC Glossary, the CAISO is concerned that this could create conflicts if the CAISO has identical terms that it defines differently.</p>
19.1(e)	MID	<p>Proposes adding the following language:</p> <p><u>(e) Inconsistency With Requirements of WECC Regional Reliability Standards. If there is an inconsistency between a provision in this Section 19 and an obligation or requirement set forth in an applicable WECC Regional Reliability Standard, the WECC Regional Reliability Standard shall prevail to the extent of the inconsistency.</u></p>	<p>The CAISO declines to make this change. The definition of “NERC Reliability Standards” already includes both standards developed by NERC and Regional Entities, which includes WECC.</p>
19.2(a)	BPA	<p>Proposes to revise the section to read:</p> <p>“In general. The CAISO will –</p> <p>(1) obtain certification from NERC</p>	<p>The CAISO agrees to make these changes.</p>



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		<p>and WECC to perform the functions of a Reliability Coordinator;</p> <p>(2) maintain such certification as a Reliability Coordinator; and</p> <p>(3) provide<u>deliver</u> RC Services in accordance with the NERC Reliability Standards to –</p> <p>(A) transmission operators in the CAISO Balancing Authority Area;</p> <p><u>(B) the CAISO Balancing Authority-;</u></p> <p><u>(CB)</u> other Balancing Authorities that request such services from the CAISO and execute the RCSA, including Balancing Authorities that are also registered as transmission operators; and</p> <p>(DG) transmission operators that <u>are</u> within other Balancing Authority Areas <u>receiving RC Services from the CAISO, and request such services from the CAISO.</u> Are receiving RC Services from the CAISO. that are not also registered as a Balancing</p>	



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		<p>Authority.”</p> <p>With regard to the revisions to subsection (A), comments that the term “transmission operators” should be capitalized and defined. The definition should just point to the NERC glossary. With regard to the revisions to subsection (D), comments that the revisions are to make the language consistent with Section 19.5(b)(1)(B).</p>	
19.2(a)(2)	Public Interest Organizations (PIO)	<p>In general. The CAISO will – . . .</p> <p>(2) maintain such certification <u>and perform responsibilities</u> as a Reliability Coordinator; and</p> <p>(3) deliver RC Services in accordance with the NERC Reliability Standards to –</p> <p>(A) transmission operators <u>and or owners</u> in the CAISO Balancing</p> <p>(B) other Balancing Authorities that request such services from the CAISO and execute the RCSA, including</p>	<p>“Perform responsibilities” is redundant of the obligation of the CAISO to deliver RC Services per subsection (a)(3) and therefore unnecessary.</p> <p>Regarding the suggestion to add a reference to transmission owners, while the CAISO recognizes that a reliability coordinator may have occasion to interface with transmission owners (among other registered entities), balancing authorities and transmission owners are the only entities required by the standards to have a reliability coordinator, and therefore the CAISO believes that establishing formal contractual and tariff relationships with these entities is appropriate and sufficient. This, of course, does not affect the</p>

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		<p>Balancing Authorities that are also registered as transmission operators; and</p> <p>(C) transmission operators <u>and or owners</u> within other Balancing Authority Areas that are not also registered as a Balancing Authority.</p>	obligation of all NERC registered entities to comply with reliability standards applicable to their registered function(s).
19.2(a)(3)	MID	<p>Proposes the following addition:</p> <p>“deliver RC Services in accordance with the NERC Reliability Standards <u>and WECC Regional Reliability Standards</u> to . . .”</p>	See response to MID on this issue above
19.2(b)(1)	BPA	<p>Proposes to revise the start of the section to read:</p> <p>“A Balancing Authority that <u>electswishes</u> to receive Reliability Coordinator services from the CAISO must first execute an RCSA with the CAISO . . .”</p>	The CAISO agrees to make this change.
19.2(b)(1)(B) and 19.2(b)(2)	PIO	Propose to add the phrase “and/or owners,” similar to the proposed PIO additions listed above.	See response to PIO on this issue relating to Section 19.2(a)(2) above.
19.2(b)(2) and 19.2(b)(2)(A)	BPA	<p>Proposes to revise the sections to read:</p> <p>“<u>Transmission Operators in an RC Customer’s Balancing Authority Area</u></p>	The CAISO declines to make these changes. The CAISO’s Board-approved proposal is based on a structure in which each BA identifies their TOPs in the RCSA



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		<p>that elect to receive RC Services directly from the CAISO may execute an RCSA Transmission operators in an RC Customer Balancing Authority Area must execute a RCSA that establishes –</p> <p>(A) that whether the transmission operator will be invoiced by their associated Balancing Authority or invoiced directly by the CAISO; and”</p> <p>With regard to the revisions to subsection (b)(2), comments that BPA has concerns that it or the CAISO cannot compel TOs in its BA to sign a RCSA. With regard to the revisions to subsection (b)(2)(A), comments that This language should be carefully compared to sections 2.4 and 2.5 to make sure they are consistent. Also, a TOP should not be able to sign an agreement that binds another 3rd party entity (the BA) to pay for it. Instead, prior agreement should be required similar to Peak’s current process.</p>	<p>and then the TOPs separately execute RCSAs with the option to be billed directly. The CAISO’s position is that whether or not TOPs are billed directly is a matter for the applicable TOP and their BA to discuss and decide amongst themselves, which should then be reflected in the RCSAs that those entities enter into with CAISO in accordance with those entities’ determinations. With respect to whether the CAISO can “compel” TOPs within a BA to enter into an RCSA, from the CAISO’s perspective, all TOPs within a BA for which the CAISO is acting as the RC are appropriately treated as RC Customers. The CAISO has the ability to file an RCSA unexecuted with respect to TOPs identified by the BA in an RCSA if need be.</p>
19.2(b)(2)(A)	APS	To ensure consistency between the RC Services Agreement and the Tariff	The CAISO declines to make these changes to the tariff language. The CAISO



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		<p>Language, proposes to revise the section to read:</p> <p>“Transmission operators in an RC Customer Balancing Authority Area must execute a RCSA that establishes –</p> <p>(A) whether the transmission operator will be invoiced by their <u>identified</u>, associated Balancing Authority, <u>provided that the identified Balancing Authority has also identified the transmission operator as included within its invoicing pursuant to Schedule 1 of the RCSA</u>, or invoiced directly by the CAISO;”</p>	<p>will instead address this issue in the RCSA through appropriate revisions.</p>
19.2(b)(2)(B)	Salt River Project (SRP)	<p>Proposes to revise the section to read:</p> <p>“Transmission operators in an RC Customer Balancing Authority Area must execute a RCSA that establishes . . . (B) the date upon which the transmission operator will <u>begin</u> receiving RC Services from the CAISO (the “RC Services Date”);”</p> <p>Comments that this proposed change corresponds to the language in the</p>	<p>The CAISO agrees to make this change.</p>

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		RCSA.	
19.2(b)(4)	BPA	<p>Proposes to revise the section to read:</p> <p>“The RCSA shall state<u>CAISO shall in its discretion determine</u> the RC Services Date for each entity requesting RC Services, which will be targeted for April 1 of each calendar year except for the initial onboarding dates established in Section 19.2(b)(6).”</p> <p>Comments that this is for consistency with section 19.7(b)(2) and Schedule 1 of the RCSA. Schedule 1 lists the RC Services Date. The original language can be read to imply that the CAISO can unilaterally change the date established in the RCSA, which would be problematic for RC customers depending on that date.</p>	See response to SRP on this section below.
19.2(b)(4)	SRP	<p>Proposes to revise the start of the section to read:</p> <p>“The CAISO shall in its discretion, <u>in coordination with the RC Customer,</u> determine the RC Services Date . . .”</p>	The CAISO agrees to add language along these lines (substituting “consultation” for “coordination”).



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		<p>Comments that SRP appreciates the explanation from the stakeholder call that the CAISO would like some flexibility in case a customer is not ready to go live with taking services, but given that 19.2(b)(6) is a “no earlier than” framework without a certain defined time SRP remains concerned about this discretionary language. Unlike taking market services, RC services are a requirement and there cannot be a gap between provision of service. Same explanation for SRP’s proposed change in subsection (5) below.</p>	
19.2(b)(4)-(6)	IPC	<p>Asserts that the RC Services Date, Onboarding Period, and Initial Onboarding Dates described in these sections must be established in consultation with the RC Customer—not solely in the discretion of CAISO. Similarly, the Initial Onboarding Date should be memorialized in the RCSCA and must not be later than December 1, 2019, given that Peak intends to wind down operations by December 31, 2019. Proposes the following revisions to the sections to reflect these changes and to provide clarification:</p>	<p>The CAISO agrees to make these changes, except for the proposal to require that the initial onboarding dates be no later than December 1st. The CAISO recognizes that potential customers will need to maintain continuous RC coverage, but does not believe it appropriate to limit CAISO and customer flexibility by requiring a specific end date certain for the onboarding process.</p> <p>The CAISO has received some interest from customers outside of its balancing authority area to be included in the July 1,</p>



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		<p>“(4) RC Services Date <u>(other than Initial Onboarding Dates)</u>. The CAISO shall in its discretion, <u>after consultation with the RC Customer</u>, determine the RC Services Date for <u>the RC Customer each entity requesting RC Services</u>, which will be targeted for April 1 of each calendar year except for the initial onboarding dates established in Section 19.2(b)(6).</p> <p>(5) Onboarding Period. The CAISO will in its discretion, <u>after consultation with the RC Customer</u>, establish the onboarding period based on the complexity and compatibility of the Balancing Authority’s transmission and technology systems with the CAISO systems, certification requirements, and the planned timing of the CAISO’s implementation of RC Services.</p> <p>(6) Initial Onboarding Dates. The initial RC Services Dates will be <u>determined through consultation between the CAISO and the RC Customer and will be agreed-to in the RC SA, but will be –</u></p>	<p>2019 timeframe. Accordingly, the CAISO proposes to modify the references to the initial onboarding dates as follows:</p> <p>(6) Initial Onboarding Dates. The initial RC Services Dates will be–</p> <p>(A) no earlier than July 1, 2019 for RC Customers within the CAISO’s Balancing Authority Area <u>and other RC Customers with that RC Services Date</u>; and</p> <p>(B) no earlier than September 1, 2019 for RC Customers outside of the CAISO’s Balancing Authority Area <u>with an RC Services Date other than July 1, 2019</u>.</p>



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		<p>(A) no earlier than July 1, 2019 for RC Customers within the CAISO's Balancing Authority Area; and</p> <p>(B) no earlier than September 1, 2019 for RC Customers outside of the CAISO's Balancing Authority Area; <u>and</u></p> <p><u>(C) no later than December 1, 2019.</u></p>	
19.2(b)(5)	BPA	<p>Proposes to revise the section to read:</p> <p>"The CAISO, <u>in consultation with RC Customer</u>, will in its discretion establish the onboarding period based on the complexity and compatibility of the Balancing Authority's transmission and technology systems with the CAISO systems, certification requirements, and the planned timing of the CAISO's implementation of RC Services."</p>	<p>The CAISO agrees to add "in consultation with RC Customer," but declines to delete "in its discretion." (See language proposed below.) It is important for the CAISO to retain its discretion to establish the onboarding period based on the criteria set forth in this section. The CAISO will work closely with RC Customers to determine an appropriate timeframe, particularly for the initial RC Service Dates.</p>
19.2(b)(5)	MWD	<p>Questions if the scope of this section, <i>Onboarding Period</i>, should not only include the Balancing Authority Area, but also the Transmission Operators as well?</p>	<p>The existing language is correct; the onboarding period will be based on BA-level determinations. However, it would be appropriate to reference the relationship with transmission operators and the CAISO would propose to revise this section as follows:</p>

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			<p>(5) Onboarding Period. The CAISO, <u>in consultation with the RC Customer</u>, will in its discretion establish the onboarding period based on the complexity and compatibility of the Balancing Authority’s transmission and technology systems with the CAISO systems, certification requirements, <u>number and size of the transmission operators within the Balancing Authority Area</u>, and the planned timing of the CAISO’s implementation of RC Services.</p>
19.2(b)(5)	SRP	<p>Proposes to revise the start of the section to read:</p> <p>“The CAISO will in its discretion, <u>in coordination with the RC Customer</u>, establish the onboarding period . . .”</p>	See response to BPA above.
19.2(b)(6)	Balancing Authority of Northern California (BANC)	<p>Proposes to revise the section to read:</p> <p>“The initial RC Services Dates will be –</p> <p>(A) no earlier than July 1, 2019 for RC Customers within the CAISO’s Balancing Authority Area <u>and for other RC Customers as the CAISO and the RC Customer may agree</u>; and</p>	The CAISO agrees to make similar changes to address this comment. (See proposed response above.)



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>(B) no earlier than September 1, 2019 for RC Customers outside of the CAISO's Balancing Authority Area <u>that have not already onboarded.</u>"</p> <p>Comments that the language in subsection (A) is intended to preserve flexibility for the CAISO and RC Customers.</p>	
19.2(b)(6)	Los Angeles Department of Water and Power (LADWP)	Questions if the CAISO will consider a July 1, 2019, start date for RC Customer outside of the CAISO's Balancing Authority Area.	See response to BANC above.
19.2(b)(6)	MID	Proposes that the CAISO modify to account for RC Customers that may onboard as early as July 1, 2019 as opposed to September 1, 2019. While MID's redline changes "September" to "July" in that subsection, MID acknowledges that the CAISO may desire that language more specifically acknowledging RC Customers which choose to onboard in September or later in 2019 may be necessary.	See response to BANC above.
19.2(b)(6)(B)	BPA	Proposes to revise the section to read: "The initial RC Services Dates will be . .	The CAISO declines to make this change. As indicated above, the CAISO will provide flexibility for external RC Customers to



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>(B) no earlier than November<u>September</u> 1, 2019 for RC Customers outside of the CAISO's Balancing Authority Area."</p>	<p>potentially join as early as July 1. The CAISO will be able to accept additional external customers by September 1, and has established its rate structure based on this approach. The CAISO appreciates that many potential RC Customers have expressed interest in a November 1, 2019 initial RC Services Date and will continue to coordinate with such customers. The proposed language supports a November 1 timeframe if that is the desired outcome and provides the opportunity to transition sooner if necessary.</p>
19.2(b)(6)	PIO	<p>The revocable, 18-month notices of withdrawal to Peak end on September 2, 2019. Doesn't that mean that new CAISO RC customers would be receiving services from two RCs for 48 hours? Shouldn't this date be "no earlier than September 3rd?"</p>	<p>The withdrawal from Peak relates to the agreement to continue to participate in the Peak funding agreement. While an entity that withdraws from the agreement on September 2nd will be required to continue to fund Peak's operations until that date, there is no obligation under the funding agreement to continue to utilize Peak as the entity's reliability coordinator through this date. Note that transitioning RC service from one RC to another RC prior to the expiration of the applicable notice requirement may require payment for RC services from two providers even though there would be only one RC service provider of record at any given time.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.2(b)(7)	BANC	<p>Proposes to revise the section to read:</p> <p>“The CAISO and the RC Customer will, prior to the RC Services Date, engage in —(A) functional and system integration testing <u>and other practices</u> that confirms the RC Customer’s onboarding requirements are complete and sufficient to meet the readiness criteria as set forth in the Business Practice Manual for RC Services.</p> <p>; and (B) a period of shadow operations with the RC Customer’s current Reliability Coordinator service provider prior to the RC Services Date as provided in the RC Customer implementation project plan.”</p> <p>Comments that BANC does not object, of course, to rigorous procedures to ensure onboarding success or readiness. However, it seems like this provision in particular could be overly detailed as to what particular practices may be used over time and in each instance in order to onboard an RC</p>	<p>The CAISO declines to make this change. A period of shadow operations is important for the efficient and reliable transition between RCs. In addition, the CAISO believes that the reference to “other practices” is unclear. This provision is intended to ensure that the CAISO and RC Customer engage in system integration and testing. The reference to “processes” in section 19.2(b)(8) should address the request to include a reference to other practices here. That provision also references the BPM which will include readiness criteria for “systems and processes” of the RC Customer and the CAISO.</p> <p>With respect to shadow operations, the CAISO believes this to be an important feature of transition from one RC to another RC. Therefore, the CAISO will retain a requirement for shadow operations.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		Customer. The provisions of subsection (9) appear adequately rigorous to ensure readiness.	
19.2(b)(7)(B)	BPA	Proposes to revise the section to read: “Integration Testing and Shadow Operations. The CAISO and the RC Customer will, prior to the RC Services Date, engage in . . . (B) a period of shadow operations <u>that the CAISO arranges</u> with the RC Customer’s current Reliability Coordinator service provider prior to the RC Services Date as provided in the RC Customer implementation project plan.”	The CAISO agrees to make this change.
19.2(b)(8)	PGE	The CAISO proposes to specify the Readiness Certification requirements in the Business Practice Manual for RC Services. PGE notes that the Readiness Criteria for Energy Imbalance Market Readiness are enumerated in the Tariff. PGE asks that CAISO consider whether consistency between tariff sections is more appropriate.	The CAISO believes that it is appropriate to include these criteria in the BPM and is not concerned about an inconsistency between EIM implementation and RC services onboarding. The two efforts are sufficiently distinct to justify different tariff treatment. This will also provide further opportunity for the CAISO to work through those criteria with stakeholders as part of the BPM development process.
19.2(b)(9)	IPC	Asserts that the requirement that CAISO and the RC Customer exchange a readiness statement with each other	The CAISO believes that 30 days is necessary in order to provide the CAISO sufficient time to finalize arrangements and



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		at least 30 days prior to the RC Services Date, is unnecessarily long. Recommends changing the 30 days to 15 days.	prepare for live operations as the RC of record for a new RC Customer.
19.2(b)(9)	LADWP	Questions what the CAISO envisions for the Readiness Statement, <i>i.e.</i> , is it a check-list of items that the CAISO and RC Customer go through to make sure are ready, or is it more of an Agreement? Requests clarification in order to get a better understanding of the statement in order to determine the type of approval needed from its governance.	The CAISO plans to create a template for these statements. The CAISO envisions something more akin to a letter than a formal agreement. This will be taken up in the BPM development process, which will reference or included a form to address this and establish some consistency. The form would likely reflect the representations made in section 19.2(b)(9) in a letter to be signed by a senior officer.
19.2(b)(9)(A)	BPA	Proposes to delete the word “prospective” from the phrase “prospective RC Customer”.	The CAISO agrees to make this change.
19.2(b)(9)(C)	IPC	Given that Peak intends to wind down its operations at the end of 2019, asserts that it is critically important that the RC Services Date for RC Customers in the Initial Onboarding phase be no later than December 1, 2019. Therefore, proposes to add to the following sentence to the section: <u>“Notwithstanding this subsection, in no event shall the RC Services Date for RC</u>	See response to BPA on this issue above.

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<u>Customers in the Initial Onboarding phase be later than December 1, 2019.</u>	
19.2(b)(10)	BANC	Proposes to delete the phrase “and shadow operations”.	See response above regarding BANC comment on Section 19.2(b)(7).
19.2(b)(10)	PIO	<p>Proposes to revise as follows:</p> <p>Readiness Reporting. The CAISO will report on the CAISO Website periodically, but not less than monthly during integration testing and shadow operations, on progress towards achieving the readiness criteria set forth in the Business Practice Manual for RC Services <u>and</u> for RC Customers.</p> <p>Also states that information should be public.</p>	<p>The CAISO declines to make this change. The language “for RC Customers” in the proposed draft refers to the fact that the progress report is intended to communicate information regarding the progress made by said customers. Adding “and” changes the intended meaning.</p> <p>The overall readiness dashboard will be publically posted on the CAISO’s website. In addition, the CAISO will provide RC Customers with more detailed progress reports on the readiness criteria during the onboarding period.</p>
19.3(a)	BPA	<p>Proposes to revise the section to read:</p> <p><u>“If requested by the RC Customer, t</u>The CAISO will also offer web-based HANA services to its RC Customers as those services are described in the Business Practice Manual for RC Services.”</p> <p>Comments that this should be up front to be clear to party’s that this is an RC Customer election.</p>	<p>The CAISO declines to make this change. The language in this section (e.g. “The CAISO will also offer”) already makes it reasonably clear that RC customers are under no obligation to take supplemental services. In addition, the election must be made under the RCSA for the services to be delivered.</p>

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.3(a)	PIO	Request that a definition and description of HANA services be included directly in this Tariff document.	The CAISO declines to add further descriptions of HANA services to the tariff. These services do not directly relate to the functions required of an RC. As such, it is appropriate to maintain the flexibility for the CAISO and customers to refine the scope of these services through the BPM.
19.3(b)	IPC	Proposes to clarify the section to read: “Initial Commitment <u>and Term</u>. RC Customers that wish to obtain HANA services from the CAISO will be required to make a three year initial commitment for these services. <u>After the three-year initial commitment, RC Customers may take these services for one year terms, as described in the RCSA.”</u>	The CAISO agrees to make these changes.
19.3(b)-(c)	BPA	Proposes to revise the sections to read: “(b) Initial Commitment. RC Customers that electswish to obtain HANA services from the CAISO will be required to make a three year initial commitment for these services. (c) Notification of Election. An RC Customer must notify the CAISO in writing 90 calendar days prior to the	The CAISO agrees to make these changes.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		start of its RC shadow operation period as to which HANA services, <u>if any</u> , it is electing to take.”	
19.3(c)	PIO	Propose to revise the section to read: “An RC Customer must notify the CAISO in writing 90 calendar days prior to the start of its RC shadow operation period as to which HANA services it is electing to take, <u>and these elections will be made public on the CAISO website.</u> ”	It is not clear to the CAISO what would be the justification for publishing a list of RC Customers that elect to HANA services. In any event, the HANA elections will be set forth in the RCSAs, which will be public documents in accordance with electronic quarterly reporting procedures and CAISO regulatory contract management practices. The CAISO sees no need to separately post these elections on its website.
19.4(a)	BPA	Proposes to revise the section to read: “ Physical Security Review. <u>If requested by the RC Customer,</u> t The CAISO will provide RC Customers that <u>who</u> are transmission operators with verification of their periodic risk assessments of their transmission stations and substations in accordance with Critical Infrastructure Protection Standard 014 (CIP-014) <u>if requested pursuant to the RC SA.</u> ”	The CAISO agrees to make these changes.
19.4(b)	BPA	Proposes to revise the section to read:	After further consideration, the CAISO plans to modify this section in order to be

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>“Scope of Supplemental Services. Further detail regarding the nature of the <u>physical security reviewse supplemental services are is</u> described in the Business Practice Manual for RC Services.”</p>	<p>able to offer a broader array of supplemental services without having to amend the tariff. This would allow the parties to consider whether additional reliability related services for RC Customers would be appropriate and to have a mechanism in place to deliver the services. Limiting the provision to physical security reviews would prevent the parties from deciding that some additional scope of work may be appropriate. The CAISO proposes to reflect this as follows:</p> <p>19.4 <u>Other</u> Supplemental Services—<u>Physical Security Review</u></p> <p>(a) Physical Security Review. The CAISO will provide RC Customers who are transmission operators with verification of their periodic risk assessments of their transmission stations and substations in accordance with Critical Infrastructure Protection Standard 014 (CIP-014) if requested pursuant to the RCSA.</p> <p>(b) Scope of <u>Other</u> Supplemental Services. Further detail regarding the nature of <u>the physical security review, as</u></p>

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			<u>well as any these other</u> supplemental services <u>offered by the CAISO</u> are described in the Business Practice Manual for RC Services.
19.5	MID	Suggests adding language “and WECC Regional Reliability Standards” after references to NERC Reliability Standards throughout section.	See response to MID on this issue above.
19.5(a)(1)	BANC	Comments that while the language is inclusive and there is other conditional language below, the CAISO may wish to consider simplifying this section to simply reference the obligations of an RC as they appear in applicable Reliability Standards and may be changed from time to time.	The CAISO received comments from various stakeholders, some of which desired more and some of which desired less detail regarding RC functions in the tariff. The CAISO believes the current formulation strikes a reasonable balance.
19.5(a)(1)	PIO	Suggests following additional language: (a) CAISO Reliability Coordinator Obligations. (1) Reliability Coordinator Services. The CAISO, as the Reliability Coordinator for the RC Customer, will perform the specific tasks and functions applicable to a Reliability Coordinator pursuant to the NERC Reliability Standards <u>and as</u>	The CAISO declines to add this additional language. As stated above, the CAISO believes the current formulation strikes a reasonable balance with respect to referencing the requirements applicable to an RC. In addition, the reference to CAISO as the Reliability Coordinator is sufficient reference to the functional model. The CAISO notes that the NERC functional model is a reference framework that is subject to change without review or approval by FERC.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>outlined in the NERC Functional Model</u>, which include–</p> <p><u>(A) providing the highest authority protecting the wide-area reliability of all of its customers</u></p> <p><u>(B) receiving interchange scheduling information and dispatch plans from the BA and generation and transmission maintenance schedules from the generator operators and transmission operators;</u></p> <p>C) providing outage coordination services in accordance with applicable NERC Reliability Standards;</p> <p>(B) performing operations planning analysis in accordance with applicable NERC Reliability Standards;</p> <p><u>(C) conducting real-time assessment, monitoring and wide area situational awareness in accordance with applicable NERC Reliability Standards (using tools such as the Enhanced Curtailment Calculator, WECC Interchange Tool, and the</u></p>	<p>Some of the suggested additions are duplicative of what is already included, e.g. proposed subsection (B) is already covered by the current subsection (B), and others from the NERC functional model are overly broad and potentially vague in context of the CAISO tariff, e.g. “protecting the wide-area reliability of all of its customers”. To the extent that this language involves proposed obligations that are not NERC/WECC-specified RC obligations, the CAISO does not agree to expand its obligations beyond those required by the NERC Reliability Standards as approved by its Board in accordance with its final proposal.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>Western Interconnection Synchrophasor Project</u>);</p> <p>...</p> <p><u>(G) providing analyses of potential reliability risks and opportunities arising from the changing resource mix within CAISO's RC Customer footprint, as well as those neighboring geographies RC regions that may affect reliability within that footprint; and</u></p> <p><u>(H) developing new tools to enhance situational awareness, predictive transient stability analysis and real-time coordination, thus providing for more reliable and efficient operation of the CAISO RC's geographic footprint.</u></p>	
19.5(a)(1)	BPA	<p>Proposes to add the phrase "and RC Operating Procedures" after every reference to NERC Reliability Standards. Comments that nothing in section 19 seems to compel CAISO to follow its Operating Procedures, even though RC Customers are required to follow them. BPA would like some language in the tariff that requires</p>	<p>The CAISO will make the following modifications to address stakeholder comments concerning this provision.</p> <p>(a) CAISO Reliability Coordinator Obligations.</p> <p>(1) Reliability Coordinator Services. The CAISO, as the Reliability Coordinator for the RC</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>CAISO to follow its Operating Procedures. Also, the term Operating Procedures appears later in this document. As defined, Operating Procedures only applies to the CAISO grid. BPA suggests an alternative definition below.</p>	<p>Customer, will perform the specific tasks and functions applicable to a Reliability Coordinator pursuant to the NERC Reliability Standards <u>as detailed in the RC Operating Procedures</u>, which include–</p> <ul style="list-style-type: none"> (A) providing outage coordination services in accordance with applicable NERC Reliability Standards; (B) performing operations planning analysis in accordance with applicable NERC Reliability Standards; (C) conducting real-time assessment, monitoring and wide area situational awareness in accordance with applicable NERC Reliability Standards; (D) administering a system operating limit (SOL) methodology in accordance with



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			<p>(E) applicable NERC Reliability Standards; approving system restoration plans and facilitate system restoration drills in accordance with applicable NERC Reliability Standards; and</p> <p>(F) issuing operating instructions to RC Customers with respect to monitored facilities in accordance with applicable NERC Reliability Standards.</p> <p>The CAISO notes that Section 19.5(a)(2) requires the CAISO, as the BA and TOP, to “comply with applicable obligations in Section 19.” The CAISO agrees to add the following language to that section to clarify that these obligations include complying with RC-related operating procedures.</p> <p>(2) Other CAISO Reliability Responsibilities. Nothing in Section 19 shall alter the CAISO’s responsibilities</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			under the other sections of the CAISO Tariff, under any agreement not required by Section 19, or under the NERC Reliability Standards or any other Applicable Reliability Criteria as the Balancing Authority for the CAISO Balancing Authority Area and the transmission operator for the CAISO Controlled Grid, provided that the CAISO, as the Balancing Authority for the CAISO Balancing Authority Area and the transmission operator for the CAISO Controlled Grid, must comply with applicable obligations in Section 19, <u>including Section 19.5(b)(2)C</u> .
19.5(a)(1)(g)	IPC	To reference new Schedule 4 to the RCST that IPC proposes (see the matrix of comments on the draft RCST), IPC proposes to add this section to state that Reliability Coordinator services include “all other RC services agreed-to by the CAISO and the RC Customer in Schedule 4 of the RCST”.	See response to IPC comment in RCSCA matrix.
19.5(a)(2)	BPA	Proposes to add a new section that reads as follows: <u>“RC Operating Procedures. The CAISO and the Reliability Coordinator Oversight Committee, established</u>	The CAISO agrees to add an RC-specific definition for operating procedures, but does not believe that it is appropriate to add an obligation in the tariff to create procedures in accordance the RC oversight committee charter. The development of



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>pursuant to section 19.11, shall develop RC Operating Procedures in accordance with the Reliability Coordinator Oversight Committee's charter."</u></p>	<p>RC operating procedures will be addressed through the oversight committee charter, which is prescribed by section 19.11.</p> <p>The CAISO will include the following definition in Appendix A, and update references in Section 19 accordingly:</p> <p><u>RC Operating Procedures – Operating Procedures adopted by the CAISO to facilitate compliance with NERC Reliability Standards applicable to the Reliability Coordinator function.</u></p>
19.5(a)(2)	PacifiCorp	<p>Additional clarification stating the independence of the Reliability Coordinator would remove potential concerns over the same entity having concurrent roles as both the issuer and receiver of reliability directives.</p> <p>Furthermore, the language in section 19.5(a)(2) should mirror the language in section 19.5(b)(3), and should be limited to responsibilities under NERC Reliability Standards for which the ISO is registered.</p>	<p>Regarding the request for clarification, see response to BPA directly below.</p> <p>Regarding the request that the language in this section mirror language in 19.5(b)(3), this language already refers to the CAISO as the BA for the CAISO BAA and TOP for the CAISO Controlled Grid. It is not clear precisely what changes PacifiCorp is requesting here.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.5(a)(3) [as renumbered by BPA]	BPA	<p>Proposes to revise the section as follows:</p> <p>“Other CAISO Reliability Responsibilities. Nothing in Section 19 shall alter the CAISO’s responsibilities under the other sections of the CAISO Tariff, under any agreement not required by Section 19, or under the NERC Reliability Standards or any other Applicable Reliability Criteria as the Balancing Authority for the CAISO Balancing Authority Area and the transmission operator for the CAISO Controlled Grid. <u>Notwithstanding the preceding sentence, the CAISO shall at all times act in the interests of reliability for its overall Reliability Coordinator area and the western interconnection, and shall provide RC Services in a manner that does not unduly discriminate or give preference to any Balancing Authority or Transmission Operator, including itself.</u> provided that <u>T</u>the CAISO, as the Balancing Authority for the CAISO Balancing Authority Area and the transmission operator for the CAISO Controlled Grid, must comply with</p>	<p>The CAISO agrees to add language indicating that it will provide RC Services in a manner that does not unduly discriminate or give preference to any RC Customer. See highlighted language</p> <p>The CAISO declines to add language stating that it will “at all times act in the interests of reliability for its overall Reliability Coordinator area and the western interconnection.” Such language is overly broad, ambiguous and unnecessary.</p> <p>The CAISO believes that the “including, but not limited to,” addition to this provision is unnecessary. The provision as drafted obligates the CAISO to comply with NERC obligations as the BA and TOP and, with the additional language proposed above, operating instructions issued to itself by itself in the role of RC.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>applicable obligations in Section 19, including, but not limited to, performing the obligations required by NERC Reliability Standards applicable to a Balancing Authority and Transmission Operator as they relate to interactions with the Reliability Coordinator, and following CAISO operating instructions as the Reliability Coordinator in accordance with applicable NERC Reliability Standards and RC Operating Procedures, unless otherwise excepted by applicable NERC Reliability Standards.-”</u></p> <p>Comments that BPA would like a clear statement in the tariff and RCSA that the CAISO will not give undue preference to certain BAs or TOPs’ and that the CAISO will apply the Tariff and RCSA terms and conditions to itself as the CAISO BA.</p>	
19.5(b)(1)	MID	Questions whether “transmission operator” should be capitalized, as per NERC glossary of terms.	<p>See discussion above with respect to the NERC glossary of terms.</p> <p>The CAISO does not have a defined term for “Transmission Operator.” It would be confusing and burdensome to include such a defined term in the tariff at this time. The</p>

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			CAISO will instead suggest changes to the RCSA that resolve any potential confusion.
19.5(b)(1)	PIO	Proposes adding reference to "transmission owner"	See response to PIO on this issue above.
19.5(b)(2)	APS	<p>Provides minor revisions to reflect previously defined terms (A), to delete obligations that are redundant of those already imposed upon RC Services Customers through the NERC Reliability Standards (C), and to suggest that CAISO clarify what a major incident is and how data request processes would be administered in its business practice manual for RC Services (BPM):</p> <p>"RC Customer Obligations. An RC Customer will perform the obligations required by NERC Reliability Standards applicable to the functions for which it is registered, insofar as they relate to interactions with the Reliability Coordinator, and will also –</p> <p>(A) perform the obligations of an RC Customer in accordance with the Reliability Coordinator Services Agreement<u>RCSA</u> and Section 19;</p>	<p>CAISO agrees to make the following changes to address the comments here.</p> <p>(2) RC Customer Obligations. An RC Customer will perform the obligations required by NERC Reliability Standards applicable to the functions for which it is registered, insofar as they relate to interactions with the Reliability Coordinator, which include and will also –</p> <p>(A) perform the obligations of an RC Customer in accordance with the Reliability Coordinator Services Agreement and Section 19;</p> <p>(B) exchange data, operating plans, operating procedures, studies, and reports with the CAISO in accordance with the Business Practice Manual for RC Services and</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>(B) exchange data, operating plans, operating procedures, studies, and reports with the CAISO in accordance with the Business Practice Manual for RC Services and applicable Operating Procedures;</p> <p>(C) follow CAISO operating instructions as the Reliability Coordinator with respect to monitored transmission facilities in accordance with applicable Operating Procedures; and</p> <p>(D) promptly provide such information as the CAISO may reasonably request in relation to major incidents <u>as defined in the Business Practice Manual for RC Services.</u>"</p>	<p>applicable Operating Procedures;</p> <p>(C) follow CAISO operating instructions as the Reliability Coordinator with respect to monitored transmission facilities in accordance with applicable Operating Procedures; and</p> <p>(D) promptly provide such information as the CAISO may reasonably request in relation to major incidents <u>consistent with the NERC event analysis program.</u></p> <p>The CAISO understands that information concerning what is required following a major incident is contained in the NERC event analysis program and need not be defined specifically in the BPM.</p>
19.5(b)(2)	LADWP	Comments that the provision should be revised to ensure that the CAISO does not have authority to initiate a remedy against the RC Customer in the event the RC Customer receives a penalty or enters into a settlement agreement	The CAISO does not understand this comment. This section does not address enforcement or penalty issues. Note it is CAISO's understanding that matters directly between a BA or TOP and WECC/NERC would be independent from penalties assessed upon the CAISO,

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		regarding NERC Reliability Standard compliance.	including any potential allocation of penalties assessed upon the CAISO that the CAISO as the Reliability Coordinator may seek to recover from RC Customers pursuant to section 14.7.
19.5(b)(2)(B)	PacifiCorp	Section should be clarified to specifically require the exchange of data, operating plans, operating procedures, studies, and reports required for the provision of RC Services. While the reference to the business practice manual for RC Services is an appropriate reference to a document outside the tariff the reference to “Operating Procedures” is not clear and could refer to other market operating procedures. The reference to “Operating Procedures” should either be removed or clarified to ensure the data relates to RC Services.	See response to BPA above regarding adding new definition of “RC Operating Procedures.”
19.5(b)(2)(B) and -(C)	NaturEner	States that these sections use a capitalized term “Operating Procedures” which does not appear to be defined. To avoid any possible future confusion, perhaps the term either should be defined, or if defined elsewhere a cross-reference provided, or instead not capitalized.	See response to BPA above regarding adding new definition of “RC Operating Procedures.”

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.5(b)(2)(B)-(D)	BPA	<p>Proposes to revise the sections to read:</p> <p>“RC Customer Obligations. An RC Customer will perform the obligations required by NERC Reliability Standards applicable to the functions for which it is registered, insofar as they relate to interactions with the Reliability Coordinator, and will also . . .</p> <p>(B) exchange data, operating plans, operating procedures, studies, and reports with the CAISO in accordance with the Business Practice Manual for RC Services and applicable <u>NERC Reliability Standards and RC Operating Procedures</u>;</p> <p>(C) follow CAISO operating instructions as the Reliability Coordinator with respect to monitored transmission facilities in accordance with applicable <u>NERC Reliability Standards and RC Operating Procedures, unless otherwise excepted by applicable NERC Reliability Standards</u>; and</p> <p>(D) timely<u>promptly</u> provide such</p>	<p>The CAISO declines to adopt these changes. See instead changes proposed above in response to APS.</p> <p>The purposes of these subsections is to list obligations generally addressed by NERC standards. Adding references to NERC standards has been accounted for in the introduction and is not necessary or consistent with this approach.</p> <p>The CAISO believes the terms “promptly” is more appropriate in this context and does not agree to a limitation of “to the extent practicable”.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		information as the CAISO may reasonably request in relation to major incidents to the extent practicable. "	
19.5(b)(3)	APS	<p>Asserts that the section seeks to enumerate that there could be an exception to compliance under the NERC Reliability Standards. Any potential exception from compliance is already enumerated thereunder and should not be subject to any contractual obligations. Proposes to revise the section to read:</p> <p>“Other Balancing Authority or Transmission Operator Responsibilities. Except as otherwise addressed in Section 19 or under any agreement required by Section 19, Nothing in the CAISO Tariff will alter an RC Customer’s responsibilities under NERC Reliability Standards as the Balancing Authority for its Balancing Authority Area, as a transmission operator, or any other function for which the RC Customer is registered.”</p>	The CAISO agrees to this change.
19.5(b)(3)	PGE	Proposes to delete the phrase “Except as otherwise addressed in Section 19 or under any agreement required by Section 19”. Finds that this provision	See response to APS on this section above.

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		would establish an unacceptable conflict between PGE’s obligations under NERC standards and PGE’s obligations under the CAISO Tariff.	
19.5(b)(3)	PIO	Propose to revise the title of the section to read: “Other Balancing Authority or Transmission Operator <u>or Owner</u> Responsibilities.”	The CAISO declines to make this change. See response to PIO above regarding the issue of referencing “transmission owners”
19.5(b)(4)(A)	BPA	Proposes to revise the section to read: “Reliability Coordinator Services Agreement. An RC Customer located outside of the CAISO Balancing Authority Area that <u>elects-wishes</u> to terminate RC Services must terminate the RCSA pursuant to its terms.”	The CAISO agrees to this change.
19.6(a)(2)	BPA	Proposes to revise the section to read: “Applicability. This Section 19.6 applies to the following RC Customers: . . . (2) Transmission operators located in a Balancing Authority Area other than the CAISO that (i) have <u>executed the RCSA, and</u> (ii) indicated in the RCSA that they have load. <u>, and (ii) have</u>	The CAISO agrees to add a reference to execution of the RCSA, but declines to delete the indicated language per the discussion above about providing TOPs discretion to elect direct billing.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		elected in the RC SA to receive direct billing of RC Services from the CAISO has executed the RC SA.	
19.6(a)(2)	PIO	Propose to revise the start of the sentence to read: "Transmission operators <u>or owners</u> located in a Balancing Authority Area . . ."	See response to PIO on this issue above.
19.6(b)	BPA	Proposes to revise the start of the section to read: " Data Requirements. By no later than a date and in the format <u>established in consultation with the Reliability Coordinator Oversight Committee and</u> specified in the Business Practice Manual for RC Services, such RC Customers must submit the following data regarding billing volumes . . ."	The CAISO declines to accept this language. This matter concerns the calculation of the applicable charge and is part of the rate requirements. The CAISO does not object to discussing billing data format issues with the Oversight Committee and the appropriate working group, but believes that the reference should be limited to the relevant BPM. Other data requirements associated with the RC function would be governed by the applicable reliability standards and considered through the RC operating procedures adopted by the CAISO consistent with the Oversight Committee charter.
19.6(b) and - (c)	IPC	Asserts that Section 19.6(c) essentially imposes a penalty on the RC Customer for failing to provide data by a date	The CAISO will not entertain a policy change on this topic, as the policy to utilize



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		specified in the Business Practice Manual. If the RC Customer risks having its billing volume increased 1.25 times for failing to meet the deadline, the deadline should be clear and in the tariff. Further, the 1.25 multiplier in Section 19.6(c) is too severe a penalty for missing this deadline. Recommends the multiplier be changed to 1.10. Also recommends deleting from Section 19.6(c)(1) the phrase “for RC Customers are that are, or are located in, generation-only Balancing Authorities,” which is repetitive and unnecessary.	default MW volumes was included in its board-approved proposal.
19.6(c)	BPA	Comments that by definition in the RCSA, default MWh is already multiplied by 1.25. Suggests reconciling the service agreement and tariff so that CAISO only multiplies by 1.25 one time. Also suggests removing the following language in subsection (1) as redundant: “for RC Customers that are, or are located in, generation-only Balancing Authorities”.	The CAISO will reconcile this.
19.6(c)	MWD	Recommends removing the 1.25 adder for those RC Customers outside of the CAISO Balancing Authority Area that provide WECC-approved NEL.	See response to IPC above.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.6(c)(1)	NaturEner	<p>Argues that the CAISO's proposal is without basis and is extremely punitive to generation-only BAs, especially those comprised of renewal energy resources such as those located in NaturEner's generation-only BAs, which resources by their nature often have a capacity factor ranging from only 40-60 percent, i.e., approximately one-half of the capacity factor the CAISO proposes to use.</p> <p>Argues that the proposal it is discriminatory – as in comparison draft Tariff Section 19.6(c)(2) provides that other non-generation-only balancing authorities will be charged differently and under a much more reasonable approach – i.e., a rate of 1.25 times the Net Energy for Load MWh for the volumes reported by NERC/WECC for the year prior to the effective date of the RCSA.</p> <p>Asserts that sections 5.2.1 and 5.2.2 of the RCSA contain the same improper and inconsistent treatment.</p>	See response to IPC above.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		There is no valid justification for treating generation-only BAs more harshly than load-serving balancing authorities. At the very least with respect to this sub-issue, these provisions in the draft Tariff and draft RCSA should be revised so that generation-only BAs are treated no worse than traditional, load serving BAs.	
19.6(e) and - (f)	IPC	Given the tariff deadline for reviewing data, the tariff should also identify a specific date for CAISO to publish the informational statements. Recommends October 1 so that customers have adequate time to review, as reflected in proposed changes to Sections 19.6(e) and (f).	The date for publication of informational statements will be contained in the BPM, and RC Customers will have an opportunity to review and provide input in connection with the BPM development process.
19.6(e) and - (f)	NaturEner	Asserts that the date the informational statement containing billing data volume for each RC Customer is published, as referenced in section 19.6(e), must be sufficiently in advance of the November 30 date referenced in 19.6(f) for the published information to be truly meaningful and of value to an RC Customer.	See response to IPC above.
19.6(f)	BPA	Proposes to revise the section to read: “ RC Customer Acceptance. An RC Customer shall be deemed to have	The CAISO will modify this provision to reference the validation date as contained in the BPM, and RC Customers will have an opportunity to review and provide input



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>validated and accepted its billing data volume unless it modifies its billing data volume by <u>no later than a date established in consultation with RC Oversight Committee and as specified in the Business Practice Manual for RC Services. November 30 following the date of CAISO publication of the billing data volume informational statement.</u></p> <p>Comments that November 30 is too specific, considering all other dates will be established in the BP. The CAISO, for example, could publish the data on Nov. 29 or even after Nov. 30 according to the preceding section.</p>	<p>in connection with the BPM development process. However, the CAISO declines to reference consultation with the Oversight Committee with respect to this determination.</p>
19.6(g)	BPA	<p>Proposes to revise the start of the section to read:</p> <p>“CAISO Audit of Submitted Data. The CAISO may in its sole discretion <u>and expense</u> review actual Net Energy for Load or Net Generation information available to the CAISO. <u>If, as part of its review, the CAISO finds inaccuracies between the billing volumes reported to the CAISO and the actual Net Energy for Load or Net Generation, it will provide an opportunity for RC</u></p>	<p>The CAISO declines to adopt the addition of “and expense.” The CAISO is a non-profit pass-through entity. Reviewing billing data is a reasonable activity within the scope of the CAISO’s RC-related activities, and therefore is justifiability included in the costs allocated to customers.</p> <p>The CAISO agrees to make the changes regarding the addition of a review and comment opportunity for customers.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>Customer to comment in writing. After receiving and responding to such comments in writing, the CAISO may and</u> adjust an RC Customer's RC Services Charge . . ."</p> <p>Also asks how the CAISO will review actual NEL data? What data will it rely on?</p>	
19.6(g)	IPC	<p>Recommends revising the section to state that the ability to adjust charges be limited to those assessed up to one year prior (rather than the two-year period contained in the draft section), and that CAISO's ability to review be limited to circumstances where it can show good cause (rather than at the CAISO's discretion).</p>	<p>The CAISO declines to make the change with respect to the duration of the look back. The CAISO proposed a two year period because of the process for providing this data to WECC and anticipates needing the opportunity to look back and determine whether there is any discrepancy between what was reported to WECC and what was reported to the CAISO.</p> <p>CAISO Audit of Submitted Data. The CAISO may, <u>with good cause, in its sole discretion</u> review actual Net Energy for Load or Net Generation information available to the CAISO and adjust an RC Customer's RC Services Charge assessed up to two years prior to the most recently issued invoice to account for inaccuracies between the billing volumes reported to the CAISO and the actual Net Energy for Load</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			or Net Generation for the same period, and such adjustments will be reflected on the next annual RC Service Invoices.
19.6(g)	PacifiCorp	Section does not provide RC customers with audit rights related to ISO data, absent which RC customers have no way to challenge ISO assessment. Could be solved by a commitment to post the ISO's billing volumes and NEL information, if not already required. The posting requirement should apply to the data underlying all invoiced charges, either annual or a supplemental RC Services invoice following default by an RC customer under section 19.7(e)(5).	The CAISO declines to provide RC Customers with audit rights. The publication of the informational statement required by section 19.6(e) could satisfy this request for transparency if it included information that included all of the BAs in the RC area. The CAISO is willing to publish such an informational statement and to explain all of this in the BPM if this approach is supported by RC Customers.
19.6(i)	BPA	Comments that if the CAISO has the right to review everyone's NEL, then it seems fair that there should be some sort of procedure for the CAISO's NEL to be reviewed by RC Customers. Therefore, proposes to add this new section to read: <u>RC Customers Audit of Submitted Data. RC Customer(s), at its own expense, may review actual Net Energy for Load information for the CAISO Balancing Authority Area. If, as part of</u>	The CAISO declines to add this language. The CAISO believes that posting the billing data per its response to PacifiCorp above would be sufficient. The billing data is submitted by the RC Customers and used by the CAISO for settlement. It is not clear to the CAISO why RC Customers should require an audit and what the role of the Oversight Committee would be in the event such a right were provided.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>such review, the RC Customer(s) finds inaccuracies between the billing volumes reported for the CAISO Balancing Authority Area and the CAISO Balancing Authority Area's actual Net Energy for Load, it shall refer the matter to the Reliability Coordinator Oversight Committee for resolution."</u></p>	
<p>19.7(d)(2)-(3) and (5) [as renumbered by APS]</p>	<p>APS</p>	<p>States that the intent of the dispute language in the proposed Tariff language is unclear. It appears to be limiting the potential for initiation of a dispute to ministerial or typographical errors. Suggests that the converse of that concept should actually be applied, e.g., RC Services Customers may not dispute an invoice for simple ministerial or typographical errors. Further, submits, for CAISO's consideration, that it would prefer to have the opportunity to dispute substantive, impactful issues and would not consider a limitation on disputes predicated on typographical or ministerial issues to be problematic. For these reasons, also suggests that the time frame for initiating a dispute be modified from five to ten days. Specifically, proposes to revise the sections to read:</p>	<p>The CAISO agrees to extend the time period for raising a dispute to 21 business days. Note the CAISO will adjust all other response times to 21 business days.</p> <p>The CAISO also agrees to clarify Section 19.7(d)(4) as noted below but declines to make any other changes to the disputes provisions other than with respect to the timelines noted above.</p> <p>(34) Disputes. RC Customers shall be prohibited from disputing any RC Services Invoice, except on the grounds that an error <u>causes the invoiced amount to differ from the amount that would result from the application of the rate set forth in the CAISO Tariff</u>in the invoice is due to a more typographical or other ministerial error by the CAISO.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>“(2) Validation. An RC Services Invoice shall be binding on the RC Customer to which it relates and will not be subject to later dispute unless the RC Customer has raised a dispute within five<u>ten</u> Business Days of the date of issuance.</p> <p>(3) Disputes. RC Customers shall be prohibited from disputing any RC Services Invoice, except on where the grounds for the dispute are that an error in the invoice is due to a mere typographical or other ministerial error by the CAISO.</p> <p>(5) Corrected Invoices. If the CAISO determines that an RC Services Invoice contains an typographical or other ministerial error, and the resolution of the dispute makes correction necessary, the CAISO will issue a corrected invoice within 21 Business Days of the date the initial invoice was issued.”</p>	<p>The CAISO will also include a similar change in Section 19.7(d)(6) for consistency between the provisions for invoices and corrected invoices.</p>
19.7(d)(3)	BPA	Proposes to revise the section to increase the dispute period from five to ten business days.	See response to APS on this section above.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.7(d)(3)	IPC	Asserts that it is unreasonable to so severely restrict an RC Customer's ability to dispute, particularly when the invoice is for a year's worth of services. Recommends customers have 21 Business Days to raise disputes—the same amount of time as they have to pay the invoices.	See response to APS on this section above.
19.7(d)(3)	LADWP	Comments that it will need at least 21 Business Days to catch billing errors as 5 Business Days is not sufficient.	See response to APS on this section above.
19.7(d)(3)	MWD	States that the period of five Business Days is a very short period for validation and requests that the CAISO consider extending the period to 15 Business Days.	See response to APS on this section above.
19.7(d)(3)	NaturEner	Asserts that, there appears to be a numbering mistake in Section 19.7(d), since it appears to be missing a subsection (2). As for the provision currently identified in subsection (3) re Validation, the deadline of five (5) business days from the date of issuance to raise a dispute is too short, and unnecessarily so, especially since the deadline is calculated from "issuance." At least ten (10) business days is much more reasonable and appropriate.	<p>The CAISO will correct the section numbering error.</p> <p>Regarding the dispute period, see response to APS on this section above.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.7(d)(3)	PGE	Recommends that the ISO consider extending the dispute period beyond the proposed 5 days. This period of dispute seems unreasonably short for an annual invoice. Recommends a period of 15-30 days. For example, the ISO provides itself 21 days to re-issue corrected invoices.	See response to APS above.
19.7(d)(3)	PIO	Proposes changing five Business Day dispute period to twenty-one Business Days.	See response to APS above.
19.7(d)(4)	BPA	Proposes to revise the section to read: “RC Customers may dispute shall be prohibited from disputing any RC Services Invoice, except on the grounds that there is anan error, in the invoice is due to a mere typographical or other ministerial error by the CAISO. ” Comments that the section is too restrictive and needs to include all instances where there is an error in the invoice.	See response to APS above.
19.7(d)(4)	LADWP	Questions if there is a mechanism in place if an RC Customer is contesting the billing itself for reasons other than those identified or mentioned in Section 19.7(d)(4).	See response to APS above.

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.7(d)(4)	MWD	Proposes to revise the section to read: “RC Customers shall be prohibited from disputing any RC Services Invoice, except on the grounds <u>that for</u> an error in the invoice is due to a mere typographical or other ministerial error by the CAISO. ”	See response to APS above.
19.7(d)(4)	PGE	Recommends removing this section. Believes that RC customers should have the opportunity to dispute any instance where the CAISO’s billing does not follow the CAISO’s tariff.	See response to APS above.
19.7(d)(4)	PIO	Recommends deleting on basis that it leaves the RC customer wide open to material errors and technological/analytical errors on the part of CAISO.	See response to APS above. The CAISO is unclear what “technological/analytical” error could possibly refer to. The CAISO does not conduct any “analysis,” it merely multiplies the billing determinant provided by the RC Customer by the relevant rate.
19.7(d)(4) and - (6)	IPC	Asserts that RC Customers should be able to dispute any inaccuracies or misrepresentations of the data or in the invoice. Recommends deleting this subsection (4) and deleting the reference to “typographical and ministerial” in subsection (6).	See response to APS above. The CAISO’s calculations are based on billing data provided by the RC customer, which the CAISO will separately publish for review. To the extent that the CAISO was to make a mistake in transposing that data (as opposed to an underlying error in the data itself), such a dispute would fall within the ambit of an error that differs from the rate.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.7(d)(5)	IPC	<p>Recommends clarifying the section to state that CAISO will provide notice of its resolution of a dispute. This is particularly important because Section 19.10(b) refers to CAISO providing such notice as the trigger for the time period for a customer to initiate a negotiation or remedy under Section 13. If CAISO’s notice of resolution of a dispute is going to be used as the trigger for a timeline by which customers must act to preserve their rights, then it should be made clear in Section 19.7 that CAISO will provide such a notice.</p>	<p>The CAISO agrees to make a change to clarify that the CAISO will provide notice to an RC customer when it determines the resolution of a dispute.</p>
19.7(d)(6)	BPA	<p>Proposes to revise the start of the section to read:</p> <p>“If the CAISO determines that an RC Services Invoice contains a typographical or other ministerial error, and the resolution of the dispute makes correction necessary, the CAISO will issue a corrected invoice within 21 Business Days of the date the initial invoice was issued.”</p> <p>Also asks, what if the dispute takes longer to resolve? Maybe should issue</p>	<p>See response to APS above.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		new invoice within 21 days of resolution rather than original invoice.	
19.7(d)(6)	MWD	Proposes to revise the section to read: “If the CAISO determines that an RC Services Invoice contains an typographical or other ministerial error, and the resolution of the dispute makes correction necessary, the CAISO will issue a corrected invoice within 21 Business Days of the date the initial invoice was issued.”	See response to APS above.
19.7(d)(6)	PIO	Proposes to amend as follows: Corrected Invoices. If the CAISO determines that an RC Services Invoice contains a typographical, or other ministerial error, <u>or other material error</u> , and the resolution of the dispute makes correction necessary, the CAISO will issue a corrected invoice within 21 Business Days of the date the initial invoice was issued.	See response to APS and PIO above.
19.7(d)(6)(B)	IPC	Believes that whether a change under the section is a net debit or credit, the payment should be due or the credit applied consistent with Section	The CAISO agrees to revise the payment date for this invoice to 21 Business Days.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		19.7(e)—that is, within 21 Business Days of the corrected invoice.	
19.7(e)(1)	BPA	Proposes to revise the start of the section to read: <u>“Except as otherwise provided in Schedule 2 of the RCSA, RC</u> Customers shall make timely payment to the CAISO of any charges on an RC Services Invoices . . .”	The CAISO agrees to make this change.
19.7(e)(2)	BPA	Proposes to time references in the section to specify Prevailing Pacific Time.	This convention is already specified in the CAISO’s general rules of applicability (Section 1 of the Tariff), which would apply to Section 19 by operation of Section 19.1(b)(2)(C) or through specific reference if that can be determined by the CAISO to be workable.
19.7(e)(3)	BPA	Proposes to revise the start of the section to read: <u>“Except as otherwise provided in Schedule 2 of the RCSA, if</u> payment is not received by the last Business Day in January, the RC Customer will be charged a \$1,000 late payment fee . . .”	The CAISO agrees to make this change.
19.7(e)(3)	LADWP	Comments that its City Charter does not allow for late payment charges. As such, further comments that it would	The CAISO believes that appropriate financial incentives are necessary to encourage timely payments. The ISO

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		need to a carve-out for the \$1,000 late payment fee.	wishes to understand from LADWP if there is some alternative formulation that would achieve the same result but avoid the identified issue. Moreover, this charge was approved by the board as part of the final proposal as generally applicable.
19.7(e)(3)	MID	Suggests adding the following to the section: “. . . understanding that the CAISO reserves the right to suspend <u>consistent with the terms of the RCSA,</u> such RC Customer’s RC services until such time payment is received.”	The CAISO agrees to make this change.
19.7(e)(3)	PacifiCorp	Supports the late payment fee, and suggests consideration of an escalating fee under certain circumstances to incent payment and prevent the need to shift costs to other RC customers.	The CAISO believes the proposed late payment fee is sufficient. Moreover, this charge was approved by the board as part of the final proposal as generally applicable.
19.7(e)(4)	BPA	Proposes to revise the start of the section to read: “If there is any dispute relating to a charge included on an RC Services Invoice <u>that is not resolved prior to the payment due date,</u> the RC Customer	The CAISO acknowledges that this provision is ambiguous and proposes to modify the provision as proposed to make clear that for amounts under dispute that have not yet been resolved as of the invoice due date, payment of the full amount must be made as of that date:;

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>shall pay any amounts shown on the relevant RC Services Invoice . . .”</p>	<p>(4) Payment Pending Dispute. If there is any dispute relating to a charge included on an RC Services Invoice that is not resolved prior to the payment due date, the RC Customer shall pay any amounts shown on the relevant RC Services Invoice as of that payment date irrespective of whether any such dispute has been resolved or is, despite the continuing pendency of the dispute, still pending and the provisions of Section 19.10 will thereafter apply to the disputed amount.</p>
19.7(e)(4)	NaturEner	<p>Argues that though hopefully any typographical or ministerial error would have been corrected by the CAISO long before the payment due date, there is no guarantee of that. Thus, a typographical error of adding a “0” to what should be a \$50,000 invoice suddenly results in a \$500,000 invoice, and under the current section the RC Customer is forced to pay the mistaken \$450,000 overcharge first and then wait for it to be repaid from the CAISO. There should be a way the provision can be modified to address the CAISO’s and the RC Customer’s equally valid</p>	<p>Assuming prompt notice by the RC Customer, the CAISO would anticipate that a typographical error this obvious could be resolved prior to the payment date. The CAISO does not believe that revisions to this provision are necessary to address such an unlikely hypothetical.</p>

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		and competing concerns in a more equitable manner to RC Customers.	
19.7(e)(4)	PGE	Requests that the CAISO clarify that if the customer is found to have overpaid, the customer will receive a refund with interest.	An RC Customer that has overpaid would be credited such amounts. However, the CAISO does not propose to assess interest on either under- or over-payments.
19.7(e)(5)	LADWP	Comments that it would need 21 Business Days to process payment as 15 Business Days is not sufficient. Further states that all payments processed need to be 21 Business Days.	The CAISO agrees to allow 21 Business Days for payment of default invoices.
19.7(e)(5)	MWD	Suggests that this section be modified so the collection and credit of funds due to an RC Customer default be captured in the next CAISO annual budgetary process.	These two concepts are not equivalent. If the CAISO is unable to collect on a default, it is reasonable that it not be required to wait nearly an entire year to recoup that amount. If, after the CAISO issues such an invoice, it collects the outstanding amount, it is reasonable to reflect that amount as a credit on the next invoice, which at that point would be the invoice for the subsequent annual RC charge.
19.7(e)(5)	PacifiCorp	It is more appropriate for the ISO to exhaust other potential remedies, including allowing the defaulting RC customer an opportunity to cure the	The CAISO believes the provision as drafted appropriately balances the obligation to seek collection and the right to issue a supplemental invoice. The CAISO's authority to issue a supplemental



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>default, before seeking reallocation to non-defaulting customers.</p> <p>Recommends a longer time period prior to suspension of a defaulting party and reallocation of charges following a default for failure to pay.</p> <p>RC customers should also have an opportunity to review the supporting data and, potentially, challenge or otherwise dispute the supplemental amounts billed to them. PacifiCorp asserts that the language should provide the other RC customers with the data and information necessary to verify the supplemental billing, perhaps in the form of data illustrating how the reassessment of the NEL was proportionally calculated.</p>	<p>invoice under this section is discretionary and would allow the CAISO to first use commercially reasonable efforts to collect from the defaulting customer if the circumstances warranted. However, the CAISO should not be required to first pursue collection in all instances.</p> <p>The CAISO will make revisions to state that default invoices are subject to validation/dispute process set forth in Section 19.7.</p>
19.7(e)(5)	PGE	Recommends that the CAISO attempt to collect the debt from the defaulting party before allocating the costs to all other RC customers.	See response to PacifiCorp on this section.
19.7(e)(5)(A)	APS	Suggests that re-allocation of defaulting customer costs should only be re-allocated to the remaining RC Services Customers where CAISO has already attempted and preserved its rights to	Regarding collection attempts, see response to PacifiCorp on this section.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>collect the amounts owed by the defaulting party. Further suggests that the provision, as currently written appears to only be applicable to those RC Services Customers who are invoiced their costs based on Net Energy For Load (NEL) or Net Generation (NG). To ensure that all RC Services Customers are assessed a fair share of a defaulting customers remaining costs and to acknowledge an obligation by CAISO to attempt to collect outstanding debts from the defaulting customer prior to reallocation. Therefore, proposes to revise the section to read:</p> <p>“In General. In the event an RC Customer defaults on the payment of all or any portion of the RC charges included on an RC Services Invoice, the CAISO may, at its discretion <u>and after collection has been attempted against the defaulting Party</u>, issue a supplemental RC Services Invoice to all other RC Customers that reallocates any amounts unpaid by the defaulting RC Customer to all other RC Customers in proportion to the amounts included</p>	

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		CAISO invoiced those RC Customers' for RC Services Invoices ."	
19.7(e)(5)(B)	APS	Suggests that 15 business days is not adequate for an unbudgeted expenditure, and thus proposes the following revisions: "Supplemental Payment. RC Customers shall make payment to the CAISO of any charges on a supplemental invoice within 15-30 Business Days of the date the supplemental invoice is issued."	The CAISO agrees to make payment of this invoice due within 21 Business Days, consistent with other payment date requirements.
19.7(e)(5)(B)	BPA	Proposes to change the payment period from 15 to 21 Business Days.	See response to APS above.
19.7(e)(5)(B) and -(C)	IPC	Recommends revising the sections to be consistent with the provision in Section 19.7(e)(1) requiring that RC Customers pay an RC Services invoice within 21 Business Days of the invoice issuance. Also proposes to delete from subsection (C) the CAISO's unreasonable proposal to hold the credits for up to a year and apply them on the next year's invoice.	See response to APS above regarding the payment date. With respect to any true-up, the CAISO believes that reflecting credits in the subsequent invoice cycle is appropriate. See response to MWD above.
19.8(a)	PIO	Question whether the annual licensing cost described in the section should not instead be a pro rata share of that cost?	This provision refers to RC Customers as a class, and is not meant to suggest that each individual RC Customer would pay the entire licensing fee. To clarify, the



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			CAISO will make the term "RC Customer" on the third line plural.
19.8(b) and - (c)	BPA	<p>Proposes to revise the sections to read:</p> <p>(b) Invoicing for HANA Services. <u>Except as provided in Schedule 2 of the RCSA,</u> The CAISO will invoice the RC Customer for HANA services <u>it receives, if any,</u> when the services commence and each year thereafter on the RC Services Date anniversary.</p> <p>(c) Payment for HANA Services. <u>Except as provided in Schedule 2 of the RCSA,</u> pPayment for HANA services will be due within 21 Bbusiness Ddays of the invoice date."</p>	The CAISO will make the requested change.
19.9(a)	PIO	Request that the CAISO define "physical security review" in this Tariff document or a referenced addendum to this document.	The CAISO declines to add additional language to the Tariff. As indicated above, the CAISO is planning to modify this provision so as to allow for a broader range of supplemental services without amending the tariff. As with HANA services, there is no requirement that the CAISO define these services, which are not part of its RC function, in the Tariff. Additional details regarding these services will be provided in Business Practice Manual for RC Services.



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
19.10	BANC	Comments that it has raised clarifying questions with respect to the applicability of ADR in the RCSA, particularly in instances of Termination by the CAISO.	The CAISO will address in the comment matrix on the RCSA.
19.10(a)	BPA	Proposes to delete the phrase “for all matters arising under Section 19” as being redundant.	The CAISO will make this correction.
19.10(a)	IPC	Proposes to delete redundant language from the section. Also suggests deleting the reference in the section to the limitation on disputes in tariff section 19.10(d).	The CAISO will delete the redundant language, but will retain the reference to 19.10(d).
19.10(b)	BPA	Asserts that this section is difficult to follow. The customer starts the process after the CAISO resolves the dispute?	<p>This section refers to the timing for additional dispute resolution procedures that are available after the CAISO makes a determination regarding the initial dispute. The CAISO proposes to revise this section as follows to clarify this provision.</p> <p>(b) Timing. <u>An RC Customer that has in the case of a disputed of an RC Services Invoice under Section 19.7, an RC Customer</u> must initiate any good faith negotiation or other dispute resolution remedy under Section 13 within 90 days of the day on which the CAISO provides notice of its resolution of <u>thea</u> dispute. <u>Otherwise, the RC Services Invoice will be</u></p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			<p>binding on the RC Customer under Section 19.7.</p>
19.10(d)	APS	<p>Suggests deleting the section. The section is redundant with Section 9.2 of the RC Services Agreement. The intent of this section as well as Section 9.2 and its applicability to the obligations of RC Services customers is unclear. Additionally, previous versions of the oversight committee charter provide each RC Services customer with an independent right to address potential issues with any applicable regulator, FERC, NERC, WECC, etc. in Section VI. The newly proposed section 19.10(d) conflicts with these previously agreed upon principles.</p>	<p>The CAISO will retain this section with the following changes:</p> <p>(d) Limitation on Disputes. Any eClaims or disputes asserting that either the CAISO or any RC Customer has or is violating concerns compliance with the NERC Reliability Standards, and claims including the CAISO's failed to performance of the a specific tasks grand functions required of applicable to a Reliability Coordinator, will not be subject to dispute under the CAISO Tariff; provided that nothing in this section shall limit the function of the Reliability Coordinator Oversight Committee under its charter established pursuant to Section 19.11 or the RCSA and may only be initiated and processed by the agency responsible for the enforcement of the NERC Reliability Standards pursuant to the agency rules of practice and procedure applicable to such claim or dispute.</p> <p>The CAISO believes that the provision, as modified, is not redundant with the RCSA</p>

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
			<p>or in conflict with review procedures available to the Oversight Committee. Moreover, this section should not limit the right of an RC Customer to raise potential issues with FERC, NERC, or WECC. To the contrary, this section makes clear that disputes involving compliance with reliability standards will not be subject to dispute resolution under the CAISO tariff. It is critical to not involve CAISO dispute resolution and to instead rely upon the agencies responsible for enforcement of a potential violation of a reliability standard. See also response to BPA below.</p>
19.10(d)	BPA	<p>Proposes to revise the section to read:</p> <p>“Any claim or dispute that as to whether a Party<u>the CAISO is in concerns</u> compliance with the NERC Reliability Standards, including the CAISO’s <u>and the RC Customer’s</u> performance of the specific tasks and functions applicable to them as Registered Entities to a Reliability Coordinator, will not be subject to dispute under the CAISO Tariff or the RCSA and may only be initiated and processed by the <u>entit</u>agency responsible for the</p>	<p>See response to APS above. The CAISO does not agree with additional changes.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>enforcement of the NERC Reliability Standards pursuant to the agency rules of practice and procedure applicable to such claim or dispute. <u>Nothing in this section limits any rights the Reliability Coordinator Oversight Committee or RC Customers possess under the Reliability Coordinator Oversight Committee -charter established pursuant to section 19.11.</u></p> <p>Comments that the phrase “concerns compliance” near the start of the section is too broad and can be read to encompass everything the CAISO does as a RC.</p>	
19.10(d)	IPC	<p>As discussed in IPC’s comments on the RCSA, RC Customers must have the ability to raise claims or disputes, particularly on compliance and CAISO’s performance of its duties under the Standards, RCSA, and tariff. Recommends changes to this section as it did for the corresponding section in the RCSA. Specifically, proposes to revise the section to read:</p> <p><u>“Limitation on Disputes Regarding Compliance with the NERC Reliability</u></p>	<p>The CAISO declines to adopt this change. The purpose of this provision is to ensure that disputes and claims that involve compliance with reliability standards are raised in the appropriate forum(s), which is not the CAISO. See proposed changes above in response to comments from APS.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>Standards.</u> <u>Notwithstanding any other provision of this Section 19 or the RCSA, an RC Customer may raise</u> Any claim or dispute under this Section 19 or the RCSA, including that <u>concerning</u>s compliance with the NERC Reliability Standards, (including the CAISO’s performance of the specific tasks and functions applicable to a Reliability Coordinator), <u>in any appropriate venue, including but not limited to</u> will not be subject to dispute under the CAISO Tariff or the RCSA and may only be initiated and processed by the agency responsible for the enforcement of the NERC Reliability Standards pursuant to the agency rules of practice and procedure applicable to such claim or dispute.”</p>	
19.10(d)	PGE	<p>Recommends striking this section for the reasons stated by PGE regarding Section 9.2 of the Services Agreement.</p>	<p>The CAISO declines to remove this section for reasons stated above and in the RCSA matrix.</p>
19.11(b)	IPC	<p>Supports the establishment of a RC Oversight Committee and recommends making the following clarifications in what should be Section 19.11(b):</p> <p><u>(ba)</u> Charter. The CAISO will, <u>in</u></p>	<p>The CAISO agrees to this change.</p>



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<u>consultation with potential RC Customers</u> , adopt a charter that prescribes the membership, responsibilities and procedures of the Reliability Coordinator Oversight Committee.	
19.11(b)	PIO	Propose to revise the section to read: “The CAISO will adopt a <u>public</u> charter that prescribes the membership, responsibilities and procedures of the Reliability Coordinator Oversight Committee. <u>Such membership shall include at a minimum, RC Customers, state and provincial representatives within the CAISO RC footprint, electricity consumer advocate entities, Public Interest Organizations (PIOs) with interest and expertise in the successful operation of CAISO’s Reliability Coordination function, and representatives from the Western Interconnection Regional Advisory Board (WIRAB).</u> ”	The CAISO agrees to add the term “public.” The CAISO declines to adopt the remaining edits suggested by PIO. Issues regarding membership are appropriately addressed in the oversight committee’s charter, not in the CAISO Tariff. Note that as indicated in the CAISO’s draft final proposal, there will be instances where the oversight committee will hold public meeting sessions. Also, a role for WIRAB is contemplated.
19.13	SRP	Comments that since this is providing that Article VIII of the RCSA applies, the exception language to generic tariff	In order to clarify, the CAISO will remove all of the text of this provision after “Section 19.”



Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		language in the section does not make sense here.	
19.15	BANC	Comments that it has raised clarifying questions on how various confidentiality provisions, including Section 20, NERC rules, and agreements, will operate in tandem.	These are addressed in the CAISO response to stakeholder comments on the RC SA.
19.16	PacifiCorp	Section 22 of the ISO tariff includes provisions that appear to conflict with provisions in RC Services Tariff section 19 and the RC Services Agreement.	The CAISO relies upon Section 22 to generally administer its business under the tariff. It is unclear as to what provisions in Section 22 PacifiCorp believes are in conflict with Section 19, and requests that PacifiCorp clarify. Note also that Section 19 includes a provision to ensure that it would take precedent over Section 22 in the event of a conflict between a specific provision of Section 19 and Section 22.
Appendix A, definition of "NERC Glossary"	BPA	Proposes to add this new defined term: <u>"NERC Glossary</u> <u>At any time the then-current FERC-approved NERC Glossary of Terms Used in NERC Reliability Standards.</u>	See response to this issue above.
Appendix A, definition of "Net Energy for Load"	APS	Reiterates its previous comments regarding the potential for an inappropriate cost shift that could result from the exclusion of energy storage	The CAISO declines to make this change. The language that APS proposes to delete is included in the NERC definition of NEL.

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>facilities. Therefore, proposes to revise the definition to read:</p> <p>“Net Balancing Authority Area generation, plus energy received from other Balancing Authority Areas, less energy delivered to Balancing Authority Areas through interchange. It includes Balancing Authority Area losses but excludes energy required for storage at energy storage facilities. Net Energy for Load equals NERC/WECC Metered Demand for the CAISO Balancing Authority Area.”</p>	<p>Removing this language could result in inconsistent NEL reporting.</p>
<p>Appendix A, definition of “Net Energy for Load”</p>	<p>BPA</p>	<p>Proposes to revise the definition to read:</p> <p><u>“The meaning given to “Net Energy for Load” in the NERC Glossary.”</u></p> <p>Comments that just defining the term to point to the new term NERC Glossary (defined below) will ensure consistency with calculating NEL for WECC/NERC assessments, even if the NERC definition changes in future years. With regard to the reference in the deleted portion of the definition referencing NERC/WECC Metered Demand,</p>	<p>The CAISO intends to retain its proposed definition. The CAISO agrees that it is important to promote consistency, but believes that this can be accomplished through updates to the definition if necessary, and would want the opportunity to review and understand any changes to the NERC definition before implementing them because of the potential impact on the CAISO’s rate calculations. Note that the CAISO does exclude station service from NEL based on the definitions reference to “Net Balancing Authority Area generation”.</p>

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		comments that NERC/WECC metered demand excludes station service, but station service loads seem to be included for non-CAISO BAs/TOPs per the NERC Glossary definition and the original definition drafted by the CAISO. Station service is also excluded in the calculation of net generation. There should be consistency across RC customer classes.	
Appendix A, definition of "Net Generation"	BPA	With regard to the reference in the definition to station service, reiterates its concern described above.	See response above.
Appendix A, definition of "RC Customer"	PIO	Comment that the definition should include a transmission owner too.	See response to PIO on the issue of referencing transmission owners above.
Appendix A, definition of "RC Operating Procedures"	BPA	Proposes to add this new defined term: <p><u>- RC Operating Procedures</u></p> <p><u>Procedures that the CAISO and the RC Oversight Committee develop for the CAISO's provision of RC Services."</u></p> <p>Comments that the definition of Operating Procedures applies wholly to the CAISO Controlled Grid. A separate</p>	See response above regarding the CAISO's proposed definition of "RC Operating Procedures."

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		term is appropriate so that it is clear that procedures that apply to the CAISO Controlled Grid do not necessarily apply to RC Customers.	
Appendix A, definition of "Transmission Operator"	BPA	Proposes this new defined term to read: <u>"- Transmission Operator"</u> <u>The meaning given to Transmission Operator or TOP in the NERC Glossary."</u>	The CAISO will address this issue in the context of the RC SA. It would be problematic to introduce a new tariff defined term that would be used in Section 19 while the remainder of the tariff uses the undefined term.
Appendix F, Schedule 7	APS	Proposes the following revisions to the first sentence of the second paragraph, to clarify how/when the minimum annual payments from RC Services customers are considered in the overall rate schedule and rate calculation: "The percentage of the RC Funding Requirement for the initial RC Service Date provided in Section 19.2(b)(6) will be 2% for the July 1, 2019 targeted onboarding date <u>less known minimum RC Service Charges for the applicable year</u> , which will be assessed to applicable RC Customers, including Scheduling Coordinators that serve load in the CAISO Balancing Authority Area, in proportion to the Net Energy for Load	The CAISO declines to accept this change. Appendix F already makes clear that in calculating the RC Services Charge, the CAISO subtracts out any known minimum RC Services Charges for the applicable year. It would not make sense to also subtract minimum charge amounts from the determination of the RC Funding Requirement percentage.

Tariff Section	Stakeholder	Stakeholder Comment	ISO Response
		or Net Generation for the period during which this rate is in effect.”	
Appendix F, Schedule 7	BPA	With regard to the reference to NERC/WECC Metered Demand in the third bullet point in the section, see BPA’s comment on the definition of NEL.	See response above.
Appendix F, Schedule 7	PGE	Requests that the CAISO clarify that the RC budget process is conducted independently from the overall CAISO Grid Management Charge process.	The CAISO declines to make such clarification. Although the CAISO will develop a separate RC percentage to account for costs relating to RC activities, the CAISO does intend to develop the RC costs utilizing the schedule and process associated with the GMC (see Appendix F, Section D)
Appendix F, Schedule 7	PIO	Propose to revise the second sentence in the third paragraph to read: “Entities taking RC Services from the CAISO will have the opportunity to participate in that annual budget process, <u>which shall be a publicly noticed, open stakeholder proceeding.</u> ” Comment that budgets establish priorities, so this needs to be public.	This language is unnecessary and redundant. The description of the annual budget process in Appendix F (See Part D) includes provisions providing for stakeholder meetings and other engagement opportunities. All CAISO stakeholder meetings are publicly noticed and open to all interested entities.



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Various	APS	Proposes corrections of typographical errors and minor clarifications in tariff sections 19.2(b)(9)(B), 19.6(h), and 19.7(d).	The CAISO will review and correct any typos.
Various	MID	Suggests adding language “and WECC Regional Reliability Standards” after references to NERC Reliability Standards throughout tariff language	See above – the definition of “NERC Reliability Standards” already includes regional standards.
Various	SRP	Proposes corrections of typographical errors and minor clarifications in tariff sections 19.3(b) and 19.5(b)(2).	The CAISO will review and correct any typos.