April 2, 2001

The Honorable David P. Boergers Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

Re: California Independent System Operator Corporation, Docket No. ER01-____-000 Amendment No. 39 to the ISO Tariff

Dear Secretary Boergers:

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d; Sections 35.11 and 35.13 of the Commission's regulations, 18 C.F.R. §§ 35.11, 35.13; and the Commission's December 15, 2000 Order Directing Remedies for California Wholesale Electric Markets,¹ the California Independent System Operator Corporation ("ISO")² respectfully submits for filing six copies of an amendment ("Amendment No. 39") to the ISO Tariff. Amendment No. 39 would adopt enhanced new facility interconnection procedures.

The ISO's proposed interconnection procedures are a necessary first step in ensuring that California can attract critical new generating capacity. Establishment of ISO Controlled Grid-wide interconnection procedures will ensure that there are clear and uniform procedures for interconnecting new capacity to the ISO Controlled Grid. In addition, adoption of the ISO's proposed interconnection procedures will guarantee that, consistent with the Commission's open-access principles, each new facility is treated in an open and non-discriminatory manner.

¹ San Diego Gas & Electric Co. v. Sellers of Energy and Ancillary Services Into Markets Operated by the California Independent System Operator and the California Power Exchange, et al., 93 FERC ¶ 61,294 (2000) ("December 15 Order").

² Capitalized terms not otherwise defined herein are defined in the Master Definitions Supplement, ISO Tariff Appendix A, as filed August 15, 1997, and subsequently revised.

Moreover, by clearly establishing the cost-responsibilities of new generators interconnecting to the grid, the ISO and Participating Transmission Owners, who are filing compatible changes to their Transmission Owner Tariffs, can reduce the uncertainty and risk of developers and thereby facilitate development of new capacity in California.

The ISO's proposed interconnection procedures are but one part of a larger initiative to reenergize the California electricity market. Obviously, while reducing barriers to entry for new generating capacity is an essential element of any plan to revive the competitive market in California, the ISO must also provide assurances that such new capacity can be reliably delivered to load. Therefore, as part of its ongoing process to enhance its grid planning and expansion process, the ISO and Market Participants in California are examining policies that will ensure that the ISO Controlled Grid is expanded in a manner to support competitive markets. The ISO is continuing to explore policies to expand the transmission system not only to satisfy reliability criteria, but also to ensure access to critical new supplies and markets and to, if necessary, mitigate the exercise of locational market power in certain constrained areas of the ISO Controlled Grid. The success of the ISO's new interconnection procedures is inextricably linked to these other initiatives. As discussed further below, the interplay between these policies raises certain issues. While the ISO would have preferred to file not only the interconnection procedures proposed herein but also complementary changes to its long-term grid planning and expansion process, other priorities have prevented the ISO from doing so. Therefore, the ISO requests that in considering this proposal, the Commission recognize that other initiatives are underway in which the ISO intends to address certain of the issues identified below.

I. BACKGROUND

A. The ISO's Initial Interconnection Filing

Over the past two years, the ISO has endeavored with Market Participants to develop comprehensive procedures governing the interconnection of new generating facilities to the ISO Controlled Grid. Early in this process, the ISO and the stakeholders coalesced around two approaches regarding the ISO's interconnection procedures. One approach, referred to as "No Grandfathering of Transmission Rights," proposed that any incremental Intra-Zonal Congestion created as a result of the interconnection of a New Generator should be mitigated in accordance with the existing procedures in the ISO Tariff.³ The other approach

³ Under the ISO's existing procedures, the cost of Intra-Zonal Congestion is spread among all Scheduling Coordinators ("SCs") scheduling within the Zone using the Grid Operation Charge ("GOC"). Thus, under the "No

was referred to as Advance Congestion Cost Mitigation ("ACCM"). Under the ACCM, New Facilities would be responsible for mitigating incremental Intra-Zonal Congestion under certain circumstances.⁴ It is important to note that certain principles were common to both methodologies: (1) each New Facility requesting interconnection would be responsible for the costs of all transmission expansions and reinforcements necessary to maintain the reliability of the ISO Controlled Grid; (2) each New Generator could voluntarily invest in grid upgrades and would be entitled to any system benefits that arise as a consequence of its investment; and (3) all Inter-Zonal Congestion impacts of the New Facility would be managed using the ISO's existing Inter-Zonal Congestion management protocols. The ISO Governing Board adopted the ACCM approach, and on June 23, 1999, the ISO filed Amendment No. 19 to the ISO Tariff. The Commission, however, rejected Amendment No.19, finding that it relied upon inaccurate price signals resulting from the ISO's flawed methodology for managing Intra-Zonal Congestion. California Independent System Operating Corp., 88 FERC ¶ 61,221 (1999), reh'g denied, 90 FERC ¶ 61,086 (2000).

B. Subsequent Efforts To Develop New Generator Interconnection Procedures

On April 13, 2000, the ISO reconvened the stakeholder process on development of its interconnection procedures. At that time, the ISO focused on development of a streamlined proposal that did not rely upon the ISO's existing Congestion Management protocols, which were under concurrent reexamination in a different stakeholder process. Ultimately, the ISO decided to address its interconnection procedures as part of the Comprehensive Market Redesign or "CMR" process. As part of the July 28, 2000 CMR Recommendations package, the ISO proposed the following guiding principles be adopted in developing its interconnection procedures: (1) the ISO should take a proactive role in ensuring that each new or re-powered generator or resource is able to interconnect to the grid with minimal interconnection costs, thereby ensuring access to the market and

Grandfathering" approach, the incremental Intra-Zonal Congestion costs associated with a New Generator would have been spread, via the GOC, to all Load in the Zone experiencing the Intra-Zonal Congestion.

⁴ If the Intra-Zonal Congestion could be handled using the ISO's Intra-Zonal Congestion protocols (*i.e.*, if there were sufficient competition in the Adjustment Bid and Supplemental Energy bid markets to resolve the Congestion), the New Generator would not be required to mitigate the increase in Intra-Zonal Congestion resulting from the interconnection. Second, if there were an insignificant increase local Congestion (*i.e.*, local Congestion below a certain level), mitigation would not be required of the New Generator. Beyond these circumstances, a New Generator would be responsible for increases in Intra-Zonal Congestion. In other words, under the ACCM approach, a New Generator would be required to mitigate increased Intra-Zonal Congestion that is significant and that is unable to be addressed using competitive bidding.

reducing potential barriers to entry; and (2) the ISO should provide new entrants with reasonable ex ante price certainty regarding their costs of interconnecting to and utilizing the ISO Controlled Grid. The ISO advocated adoption of these principles in large part because of the Summer 2000 performance of the markets and the critical need for new generating capacity. The ISO's efforts to finalize and file its CMR recommendation were overtaken by the Commission's November 1, 2000 order regarding the functioning of the California electricity markets.⁵ In the November 1 Order, the Commission found that standard procedures to facilitate the interconnection of new generators (or existing generators seeking to increase the rated capacity) were needed and directed the ISO to file generator interconnection procedures no later than sixty days after the new Governing Board was seated. November 1 Order, 93 FERC at 61,364-65. Accordingly, the ISO decided to move forward on the development of the ISO's interconnection procedures. On November 20, 2000, the ISO circulated revised draft tariff language on the new facilities interconnection policy ("NFIP") and requested Market Participants to submit comments by December 6, 2000.

C. The December 15 Order

On December 15, 2000, the Commission issued its Order Directing Remedies for California Wholesale Electric Markets. The Commission affirmed its requirement that the ISO and the IOUs to file generator interconnection procedures. December 15 Order, 93 FERC at 62,015. In addition, the Commission stated that it expected those filings to "comport with policy and precedent already established by the Commission." *Id.* The Commission advanced the date for the submission of the interconnection procedures to April 2, 2001. *Id.* at 62,016. The Commission also specified that the IOUs were to file interconnection procedures "that are compatible with those developed by the ISO." *Id.*

Based on the Commission's directive and the critical need to finalize the ISO's interconnection procedures, early this year ISO management once again began to focus on the ISO's interconnection procedures. On March 6, 2001, the ISO circulated to Market Participants a "White Paper" and draft tariff language on the NFIP.⁶ The ISO developed the White Paper in order to update Market Participants on the ISO's latest thinking regarding the NFIP. The White Paper also

⁵ San Diego Gas & Electric Co. v. Sellers of Energy and Ancillary Services Into Markets Operated by the California Independent System Operator and the California Power Exchange, et al., 93 FERC ¶ 61,121 (2000) ("November 1 Order").

⁶ Copies of documents prepared by the ISO Staff and presented to the ISO Governing Board including a revised version of the White Paper and a response to stakeholder comments on the proposal are provide in Attachment A.

summarized and reviewed certain recent Commission decisions regarding interconnection procedures. Finally, the White Paper summarized the feedback the ISO received on the draft NFIP tariff provisions previously circulated to Market Participants and outlined the ISO's latest position on various issues related to the policy. The ISO also updated and circulated draft tariff language. The ISO asked for comments on the White Paper and the draft tariff proposal by March 14, 2001. On March 19, 2001, the ISO held a stakeholder meeting to discuss the NFIP and asked for final comments on the draft policy by March 21st. The ISO presented a revised NFIP tariff proposal to the ISO Governing Board on March 30, 2001. The Governing Board authorized ISO management to make this filing.

II. DESCRIPTION OF THE COORDINATED GENERATION INTERCONECTION PROCEDURES

As illustrated by the Attachment B which contains the blacklined tariff pages, Amendment No. 39 represents a comprehensive revision to the interconnection provisions of the ISO Tariff. Previously, the details of the interconnection application process were contained only in the individual tariffs of the Participating Transmission Owners. In order to promote consistency throughout the ISO Controlled Grid, these requirements are now defined in the ISO Tariff. In developing these procedures, the ISO, while working with stakeholders, has also been mindful of the Commission's clear admonition to abide by its recent precedents. The specifics of the proposal are described in the sections below.

A. Applicability

Amendment No. 39 revises Section 5.7 of the ISO Tariff to define which New Facilities will be covered by the ISO's interconnection procedures. These facilities include: (1) each Generating Unit that seeks to interconnect directly to the ISO Controlled Grid; (2) each existing Generating Unit directly connected to the ISO Controlled Grid that has been re-powered and increased the total capability of the power plant; and (3) each existing Generating Unit directly connected to the ISO Controlled Grid that has been re-powered without increasing the total capability of the power plant but has changed the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria.

These new procedures only apply to New Facility Operators that have not submitted a Completed Application, as defined under the applicable Interconnecting Participating Transmission Owner's ("Interconnecting PTO") TO Tariff, to the Interconnecting PTO as of the effective date of Amendment No. 39. The ISO procedures do not apply to those facilities interconnecting at the wholesale distribution level (i.e., where service would be provided under the PTO's Wholesale

Distribution Access Tariff) or to resources interconnecting to the distribution system pursuant to rules established by the California Public Utilities Commission.

B. Generator Interconnection Requests

In accordance with the proposed Section 5.7.3, The ISO will receive and process all applications for interconnections. Applications are to be accompanied by a Good Faith Deposit. Within one Business Day, the ISO will send a copy of the application to the Interconnecting PTO. Within 10 Business Days, the ISO and the Interconnecting PTO must determine whether the application is complete.

The ISO will post on its OASIS site an updated list of proposed new generation projects. Upon request by the applicant, the ISO will not disclose the applicant's identity. The ISO will, however, post the nearest substation, the capacity and the year of proposed operation. *See*, Section 5.7.3.3.

C. Study Procedures

In cooperation with the ISO and consistent with the timelines specified in the ISO Tariff, the Participating TOs will complete all necessary System Impact and Facility Studies.⁷ Study procedures and timelines are consistent with the Commission's *pro forma* OATT and will be subject to the ISO's Alternative Dispute Resolution ("ADR") Procedures. Applicants or third parties are permitted to perform their own studies, subject to ISO and PTO review and approval.

1. System Impact Study

System Impact Study procedures are contained in Section 5.7.4.2.1. Within 10 Business Days after receiving a Completed Interconnection Application, the ISO and the Interconnecting PTO will determine, on a nondiscriminatory basis, whether a System Impact Study is required. This determination is based on the ISO Grid Planning Criteria and the transmission assessment practices outlined in the ISO Planning Procedures posted on the ISO Home Page. The ISO and Interconnecting PTO will utilize, to the extent possible, existing transmission studies.

The System Impact Study will identify whether any Direct Assignment

⁷ Section 5.7.4.2. Consistent with the Commission's ruling in *Southwest Power Pool, Inc.*, 92 FERC ¶ 61,109 (2000), the ISO will develop procedures for expediting the interconnection requests of generating projects, including those needed for reliable grid operation. *See*, Section 5.7.3.1.

Facilities and Reliability Upgrades are needed as well as, if requested by the New Facility Operator, whether any Delivery Upgrades are necessary to deliver a New Facility's full output over the ISO Controlled Grid. The System Impact Study will also identify any adverse impact on Encumbrances existing as of the Completed Application Date.

If the ISO and the Interconnecting PTO determine that a System Impact Study is necessary, the Interconnecting PTO shall within twenty Business Days of receipt of Completed Application, tender a System Impact Study Agreement for such study. The New Facility Operator shall execute the System Impact Study Agreement and return it to the Interconnecting PTO within ten Business Days, together with payment for the reasonable estimated cost, as provided by the Interconnecting PTO, of the System Impact Study. Alternatively, a New Facility Operator can request that the Interconnecting PTO proceed with the System Impact Study and abide by the terms, conditions, and cost assignment of the System Impact Study Agreement ultimately determined through the ISO ADR Procedures, provided that such request is accompanied by payment for the reasonable estimated cost, as provided by the Interconnecting PTO, of the System Impact Study. If a New Facility Operator elects neither to execute the System Impact Study Agreement nor to rely upon the ISO ADR Procedures, such New Facility Operator's Completed Interconnection Application will be deemed withdrawn.8

The Interconnecting PTO will use due diligence to complete the System Impact Study within sixty Calendar Days of receipt of payment and the executed System Impact Study Agreement or initiation of the ISO ADR Procedures. If the Interconnecting PTO cannot complete the System Impact Study within this period, the Interconnecting PTO will notify the New Facility Operator, in writing, of the reason why additional time is required to complete the required study and the estimated completion date.

2. Facility Study

If a System Impact Study indicates that additions or upgrades to the ISO Controlled Grid are needed to satisfy a New Facility Operator's request for interconnection, the Interconnecting PTO shall, within fifteen Business Days of the completion of the study, tender to a New Facility Operator a Facility Study Agreement that defines the scope, content, assumptions and terms of reference

⁸ If the New Facility Operator's application is deemed withdrawn, the New Facility Operator will compensate the Interconnecting PTO for all reasonable costs incurred to that date in processing the Completed Application.

for such study, the estimated time to complete the required study. The New Facility Operator shall execute the Facility Study Agreement and return it to the Interconnecting PTO within ten Business Days, together with payment for the reasonable estimated cost, as provided by the Interconnecting PTO, of the Facility Study.⁹

The Interconnecting PTO will use due diligence to complete the Facility Study within sixty Calendar Days of receipt of payment and the Facility Study Agreement or initiation of the ISO ADR Procedures. If the Interconnecting PTO cannot complete the Facility Study within that period, the Interconnecting PTO will notify the New Facility Operator, in writing, of the reason why additional time is required to complete the required study and the estimated completion date.

As an alternative to executing and returning a Facility Study Agreement, a New Facility Operator may submit an amendment to its Completed Interconnection Application to reflect a revised configuration for its New Facility.¹⁰

3. New Facility Operator Election to Perform Studies

A New Facility Operator may perform its own System Impact Study and Facility Study, or contract with a third party to perform the System Impact Study and Facility Study. Section 5.7.4.2(d). Any such study or studies performed by a New Facility Operator or third party must be approved by both the ISO and Interconnecting PTO and completed within the timelines identified in Sections 5.7.4.2.1 and 5.7.4.2.2.

To the extent that the ISO and Interconnecting PTO disagree on the adequacy of the New Facility Operator or third party-sponsored study, the ISO will

⁹ Alternatively, a New Facility Operator may request that the Interconnecting PTO proceed with the Facility Study and abide by the terms, conditions, and cost assignment of the Facility Study Agreement ultimately determined through the ISO ADR Procedures, provided that such request is accompanied by payment for the reasonable estimated cost, as provided by the Interconnecting PTO, of the Facility Study. If a New Facility Operator elects either to not execute the Facility Study Agreement or to rely upon the ISO ADR Procedures, such New Facility Operator's Completed Interconnection Application will be deemed withdrawn.

¹⁰ The amended Completed Interconnection Application shall be treated in accordance with Section 5.7.3.2.1 and the New Facility Operator's Completed Interconnection Application shall not be deemed withdrawn. The New Facility Operator shall maintain its existing queue position, if (a) the amended Completed Interconnection Application is submitted within ten Calendar Days of the Interconnecting PTO's tender of a Facility Study Agreement; and (b) the New Facility Operator has not submitted a previous amendment to the Completed Interconnection Application following the tender of a System Impact Study.

determine the adequacy of the study, subject to the ISO's ADR Procedures. The ISO and Interconnecting PTO shall complete their review of the New Facility Operator's study within 30 Calendar Days.

D. Generator Interconnection Agreement

The proposed Section 5.7.6 specifies that neither the ISO nor the Interconnecting PTO shall be obligated to energize, nor shall the New Facility Operator be entitled to have its interconnection to the ISO Controlled Grid energized, unless an Interconnection Agreement has been executed, or filed at FERC. Section 5.7.4.3 describes the process for execution of Interconnection Agreements. If a New Facility Operator and the Interconnecting PTO are unable to agree on the rates, terms and conditions of the Interconnection Agreement, the New Facility Operator may request that the Interconnecting PTO file an unexecuted Interconnection Agreement with the Commission. *See,* Section 5.7.4.3. The ISO recognizes the benefit of having a *pro forma* Interconnection Agreement and will continue working with the Participating TOs to develop this document.

E. Priorities and Grandfathered Requests

The ISO will maintain and oversee the queuing of Interconnection Applications. The ISO and Interconnecting PTO will process all Interconnection Applications based on the New Facility's Completed Application Date. *See*, Section 5.4.4.4. For any New Facility Operator that has submitted a request to interconnect to a Interconnecting PTO prior to the date that the Commission makes Amendment No. 39 effective, that New Facility Operator's position in the queue will be based on its Completed Application Date as that term was defined in the Interconnecting PTOs TO Tariff in effect at the time it submitted a request to interconnect to the Interconnecting PTO. *Id*.

The proposed Section 5.7.4.4.1 delineates certain milestones that must be met by the New Facility Operator to maintain its place in the queue. These milestones are in part tied to the California Energy Commission's requirements for generators requesting an Application For Certification and include obtaining Data Adequacy and obtaining a New Facility License.

F. Cost Responsibilities of New Facility Operators

The proposed Section 5.7.5 outlines the cost responsibilities for New Facility Operators. First, New Facility Operators are responsible for the costs of required studies in accordance with Section 5.7.4.2. A New Facility Operator's final cost

responsibility will be based on actual costs.¹¹

Second, each New Facility Operator shall pay the costs of planning, installing, operating and maintaining the following facilities: (i) Direct Assignment Facilities, and, if applicable, (ii) Reliability Upgrades. Direct Assignment Facilities include the costs of connecting the new facility to the ISO Controlled Grid. Reliability Upgrade Costs include the cost of facilities remote from the interconnection point, such as breakers, needed just to interconnect a new facility. However, the New Facility Operator shall be responsible for the costs of Reliability Upgrades only if the necessary facilities are not included in the ISO Controlled Grid Transmission Expansion Plan approved as of the New Facility Operator's Completed Application Date.¹²

The ISO's proposal does not, consistent with the ISO's interpretation of Commission precedent on this issue, provide for an allocation of cost-responsibility for Reliability Upgrades among different applicants. That is, the ISO's proposes that each New Facility be responsible for the Reliability Upgrades necessitated by its interconnection. Under the ISO's proposal if the first Generator in the interconnection queue is required to pay for Reliability Upgrades necessitated by its interconnection, the second Generator who proposes to interconnect at or near the same interconnection point may or may not be required to pay for Reliability Upgrades, depending on the amount of capacity made available by the first Generator's upgrades. However, nothing in the ISO's proposal would preclude these and other Generators from jointly sponsoring certain required Reliabilityrelated or other upgrades. While the ISO recognizes that there are legitimate issues of equity in such a proposal, the ISO believes that the alternative would require a complex and burdensome tracking and reallocation of cost-responsibility going forward and that such a proposal would require the ISO and PTOs to develop crediting mechanisms and to specify a time horizon beyond which either the ISO would no longer reallocate such costs or would roll such costs into embedded cost rates. In the end, we believe that the ISO's proposal is consistent with Commission precedent and is administratively feasible.

Payment for Direct Assignment Facilities and Reliability Upgrades shall be made by the New Facility Operator to the Interconnecting PTO pursuant to the

¹¹ The Interconnecting PTO will provide each New Facility Operator a detailed record of the actual costs assessed to it. A New Facility Operator may request the Interconnecting PTO to provide any additional information reasonably necessary to audit the actual costs the New Facility Operator is assessed.

¹² If the date for the installation of a facility is advanced by the interconnection of the New Facility, the New Facility Operator shall be responsible only for the incremental costs associated with the earlier installation of the facility.

terms of payment set forth in the Interconnection Agreement between the parties. *See*, Section 5.7.5.2.

Third, each New Facility Operator shall implement all existing operating procedures necessary to safely and reliably connect the New Facility to the facilities of the Interconnecting PTO and to ensure the ISO Controlled Grid's conformance with the ISO Grid Planning Criteria, and shall bear all costs of implementing such operating procedures. *See*, Section 5.7.5(c).

The ISO does not propose, consistent with the ISO's interpretation of Commission precedent on this matter, to require that New Facility Operators pay for the costs of Delivery Upgrades. These costs include the costs of facilities necessary to deliver energy from the point of interconnection of the new facility to load and would include such costs as the cost of upgrading a line to eliminate congestion. The ISO believes that such upgrades are appropriately addressed pursuant to the procedures set forth in Section 3.2 of the ISO Tariff, Transmission Expansion. The ISO recognizes that a number of Market Participants have raised concerns and issue regarding the crediting for system benefits that arise as a result of a specific transmission expansion and what types of rights accrue to the sponsor of such transmission expansion projects. In addition, the ISO recognizes that others have raised concerns regarding the obligations of those who sponsor such expansions when those expansions impact the use of other interconnected facilities and/or existing transmission rights. The ISO believes that such issues are appropriately addressed as part of the process to revise the ISO's long-term grid planning process and the provisions of Section 3 of the ISO Tariff. The ISO believes that to address such issues now would only serve to unnecessarily delay approval of this proposal.

G. Critical Protective Systems

As proposed, Section 5.7.4.5 requires New Facility Operators to coordinate with the ISO, Participating TOs, and Utility Distribution Companies ("UDCs") to ensure that the New Facility Operator's Critical Protective Systems, including relay systems, are installed and maintained in order to function on a coordinated and complementary basis with ISO Controlled Grid Critical Protective Systems and the protective systems of the Participating TOs and UDCs.

H. Encumbrances

Section 2.4.4.1.1 of the ISO Tariff requires the ISO and the Participating TO to honor the terms of Existing Contracts. In accordance with this requirement, the proposed Section 5.7.5.1 provides that no New Facility shall adversely affect the

ability of the Interconnecting PTO to honor its Encumbrances existing as of the time a New Facility submits its Interconnection Application to the ISO. To the extent the Interconnecting PTO determines that the connection of the New Facility will have an adverse effect on Encumbrances, the New Facility Operator is to mitigate the adverse effect.

I. Definitional Sections

New definitions are added to the Master Definitions Supplement, Appendix A of the ISO Tariff to define and clarify the terms used in the new facilities connection procedures. The following new defined terms are proposed in Amendment No. 39: Completed Application Date, Data Adequacy Requirement, Delivery Upgrade Designated Contact Person, Direct Assignment Facility, Expedited Service Agreement, Facility Study Agreement, Facility Study, Good Faith Deposit, Interconnecting PTO, Interconnection Application, New Facility, New Facility License, New Facility Operator, Planning Procedures, Reliability Upgrade, Request for Expedited Interconnection Procedures, and System Impact Study.

III. Requested Effective Date

The ISO respectfully that Amendment No. 39 be allowed to go into effect on June 1, 2001, sixty days from the April 2, 2001 filing date.

IV. Service

The ISO has served this filing on Public Utilities Commission of the State of California, the California Energy Commission, the California Electricity Oversight Board, and all parties with effective Scheduling Coordinator Service Agreements under the ISO Tariff.

V. Notices

Communications regarding this filing should be addressed to the following individuals, whose names should be placed on the official service list established by the Secretary with respect to this submittal:

Charles F. Robinson General Counsel Roger E. Smith Senior Regulatory Counsel The California Independent System Operator Corporation Edward Berlin Kenneth G. Jaffe David B. Rubin Bradley R. Milauskas Swidler Berlin Shereff Friedman, LLP 3000 K Street, N.W. 20007

151 Blue Ravine Road Folsom, California 95630 Tele: (916) 608-7135 Fax: (916) 608-7296 Washington, D.C. Tel: (202) 424-7500 Fax: (202) 424-7643

VI. Supporting Documents

The following documents, in addition to this letter, support this filing:

Attachment A	Materials from the ISO Stakeholder process
Attachment B	Revised Tariff Sheets
Attachment C	Black-lined Tariff provisions
Attachment D	Notice of this filing, suitable for publication in the
	Federal Register (also provided in electronic format).

Two additional copies of this filing are enclosed to be stamped with the date and time of filing and returned to our messenger. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

Charles F. Robinson General Counsel Roger E. Smith Senior Regulatory Counsel The California Independent System Operator Corporation 151 Blue Ravine Road Folsom, CA 95630 Tel: (916) 608-7135

Edward Berlin Kenneth G. Jaffe David B. Rubin Bradley R. Milauskas Swidler Berlin Shereff Friedman, LLP 3000 K Street, N.W., Suite 300 Washington, DC 20007 Tel: (202) 424-7500