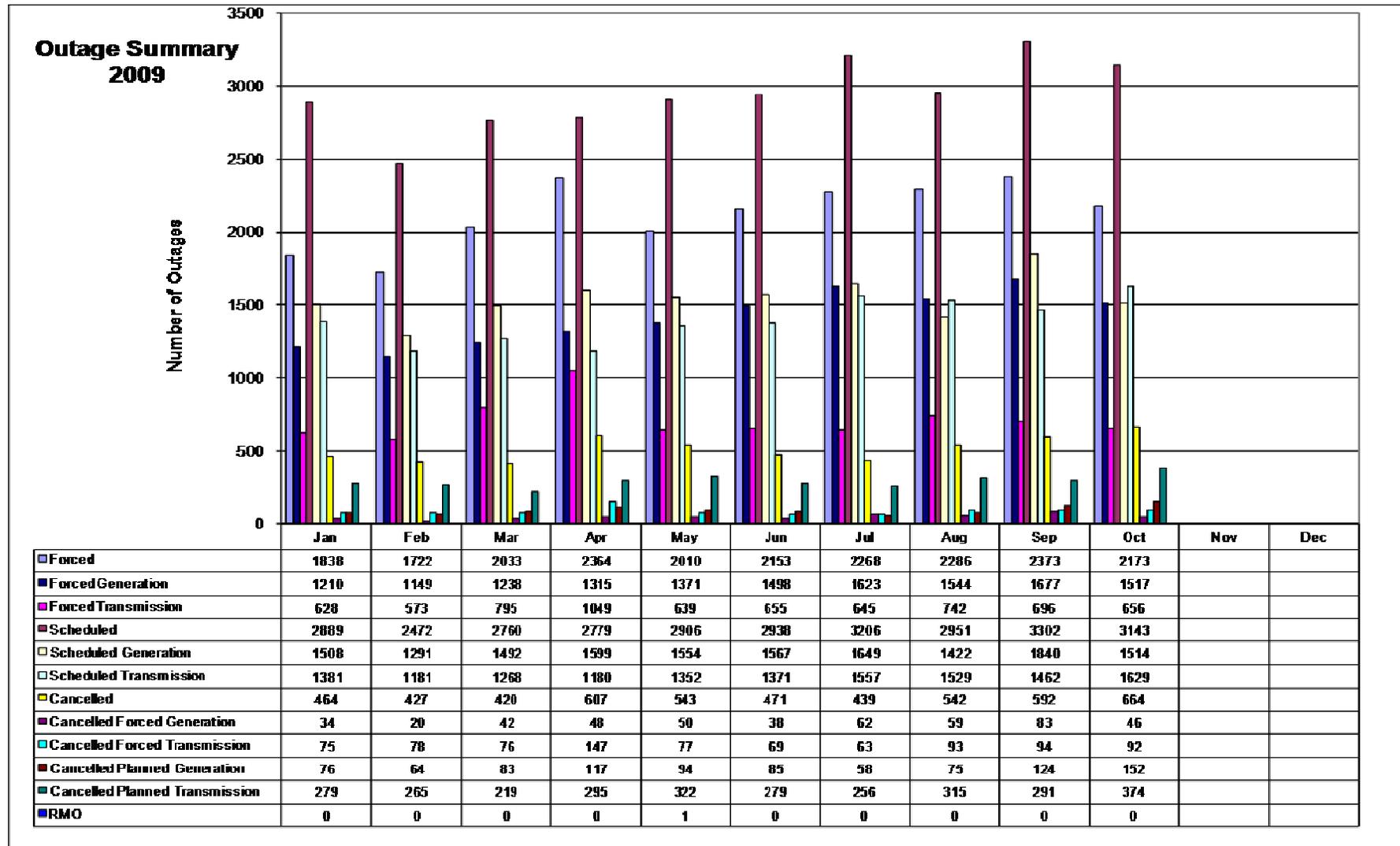
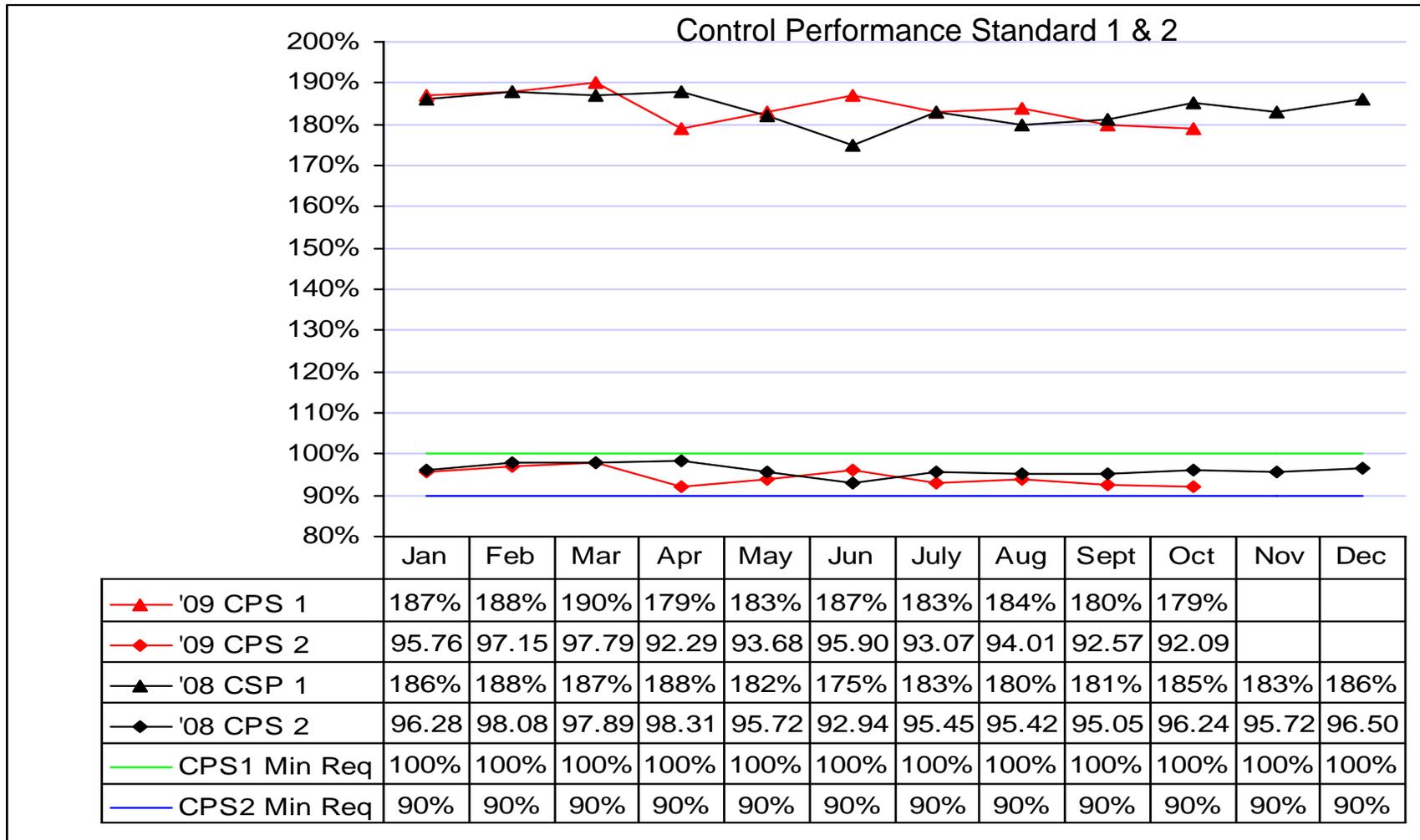


Operations Highlights Report

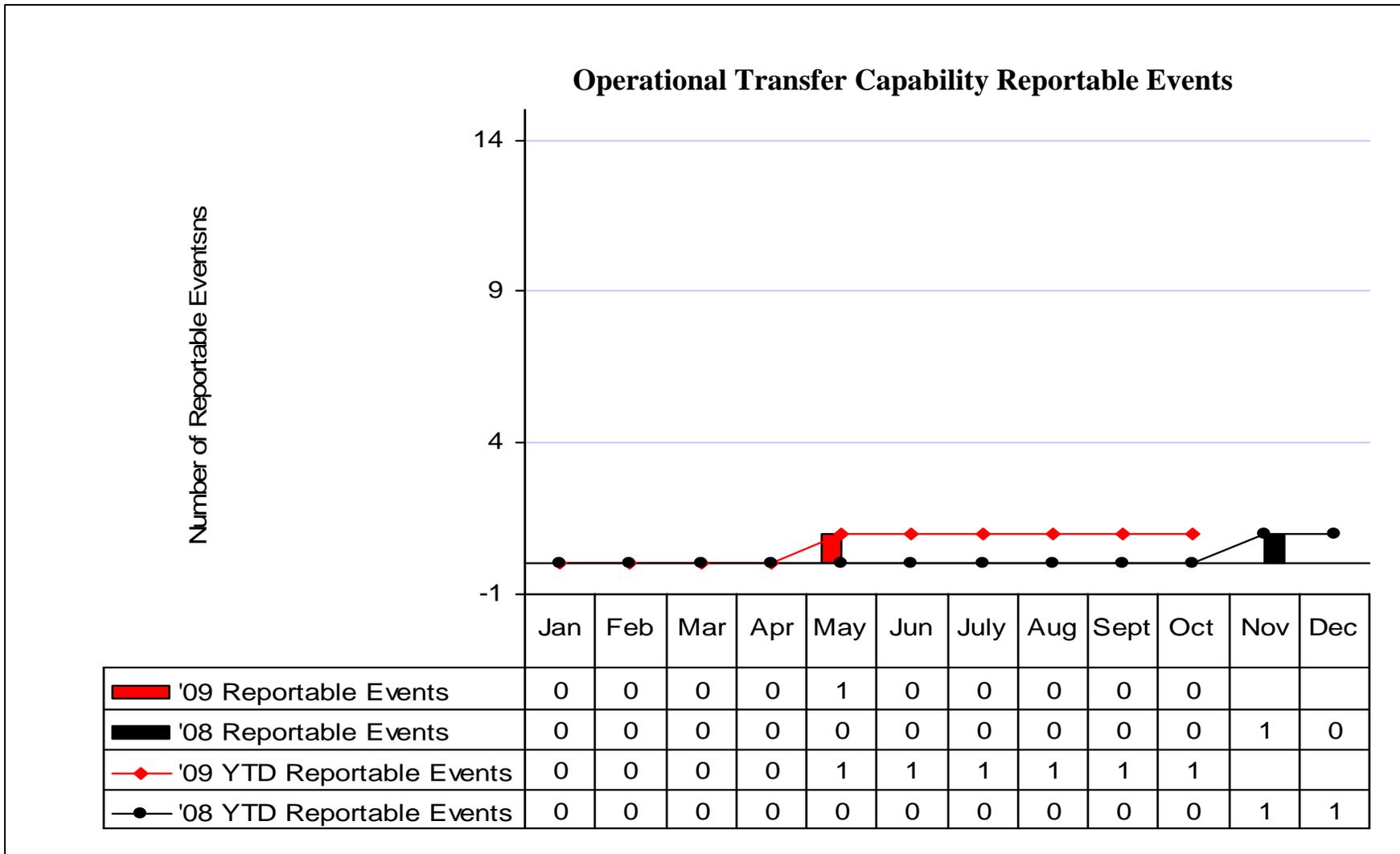


The *Outage Activity Summary* graph shows the number of forced, schedule, and cancelled generation and transmission outages processed per month by the Outage Coordination office. Included in the graph is the number of restricted maintenance operations (RMO). RMO accommodates additional transmission or other maintenance on the grid.

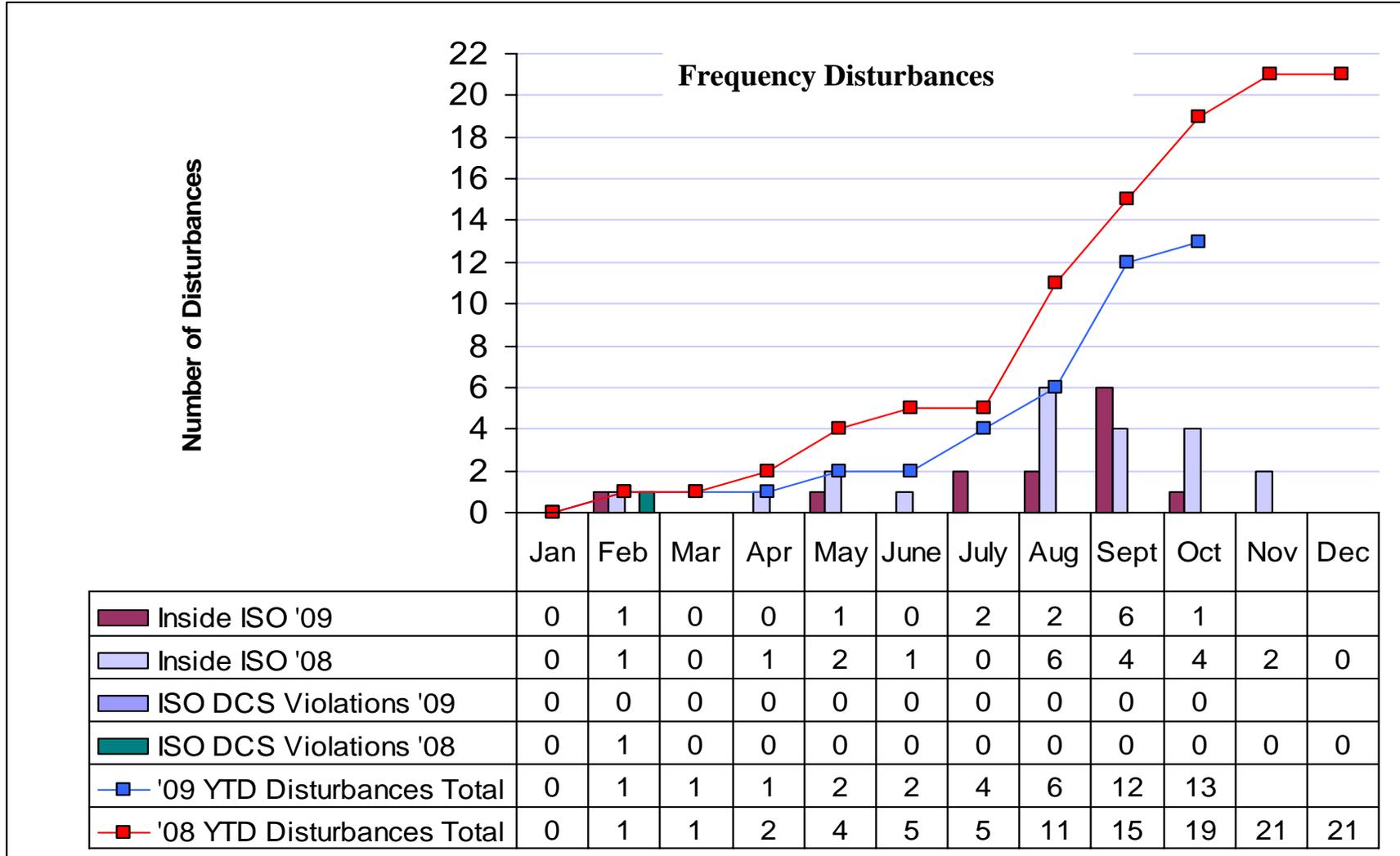


CPS1 is a statistical measure of Area Control Error (ACE) variability. It measures ACE in combination with the interconnection frequency. The CPS1 formula was developed on a conformance scale, therefore values over 100% are not only desired, but also expected.

CPS2 is a statistical measure of ACE magnitude. It is designed to limit a Control Area's unscheduled (or inadvertent) power flows that could result from large ACE values.



OTC Reportable Events are defined as path overloads that exceed WECC allowable time limits for both stability-rated and thermally-rated paths.

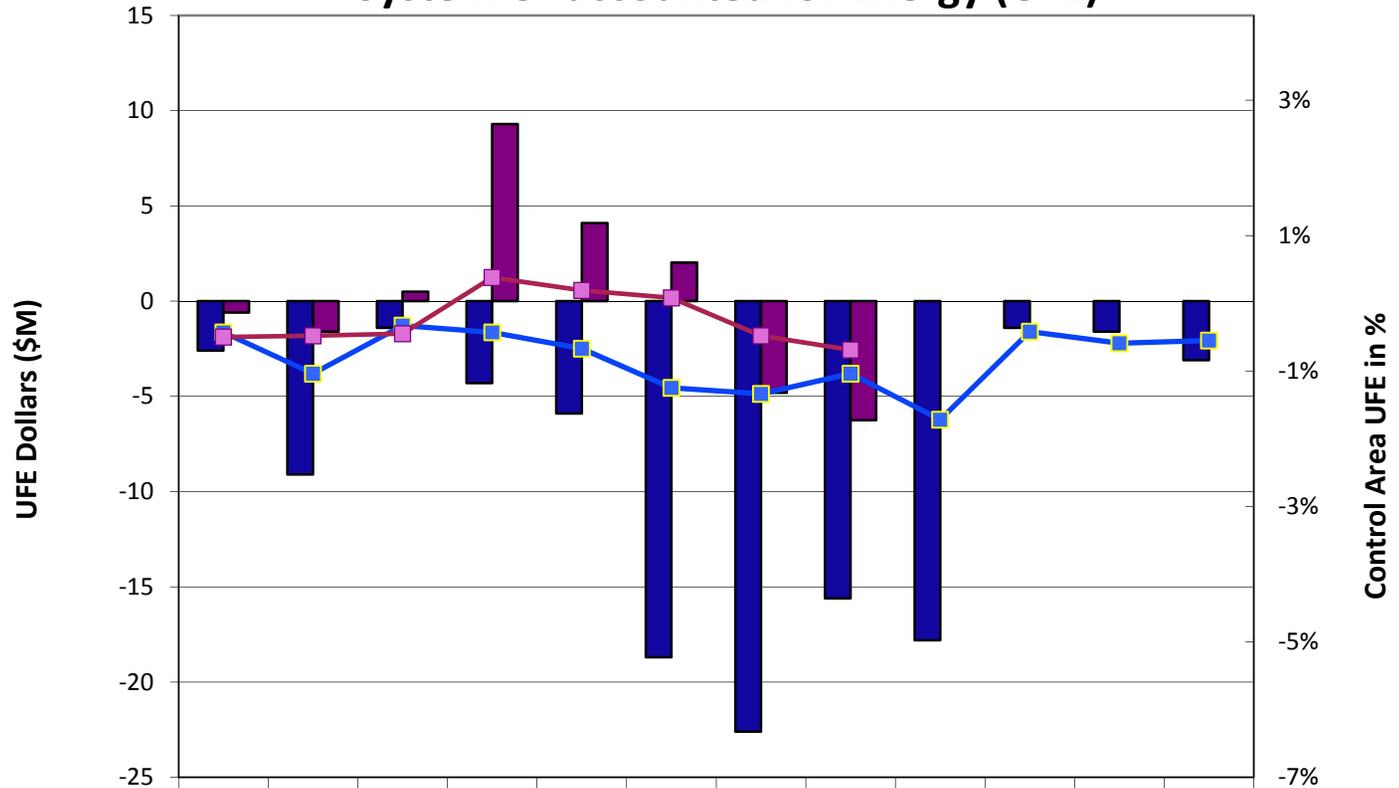


NOTE: This graph now depicts data for “Disturbances Inside ISO” for both '08 and '09 for appropriate comparison.

Frequency Disturbances are results of a sudden loss of load or generation.

ISO DCS Violations are those internal losses of generation greater than 35% of our most severe single contingency (currently 402.5 MW), where the ACE is not recovered within 15 minutes. Disturbances outside the ISO will not be tracked after 2008. Data provided is current through 11/3/09.

System Unaccounted for Energy (UFE)



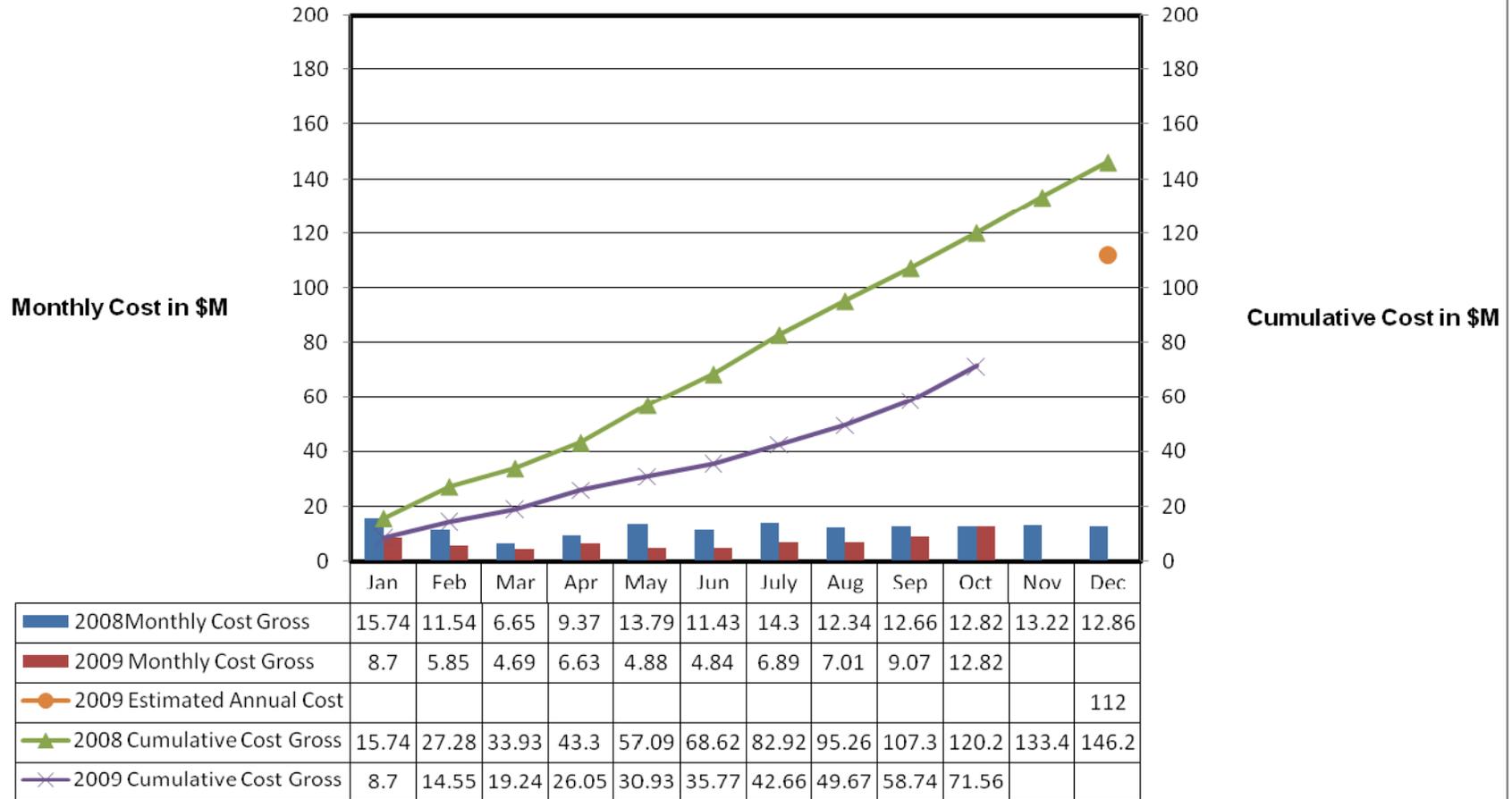
	Jan	Feb	Mar **	Apr **	May	June	July	Aug*	Sept	Oct	Nov	Dec
■ 2008 UFE Dollars	-2.6	-9.1	-1.4	-4.3	-5.9	-18.7	-22.6	-15.6	-17.8	-1.4	-1.6	-3.1
■ 2009 UFE Dollars	-0.6	-1.6	0.5	9.3	4.1	2.0	-4.8	-6.3				
—■— 2008 Control Area UFE %	-0.43%	-1.04%	-0.33%	-0.43%	-0.67%	-1.25%	-1.34%	-1.04%	-1.72%	-0.42%	-0.59%	-0.55%
—■— 2009 Control Area UFE %	-0.50%	-0.48%	-0.45%	0.38%	0.19%	0.08%	-0.48%	-0.69%				

Percentage (%) added to chart all data inclusively from data area.

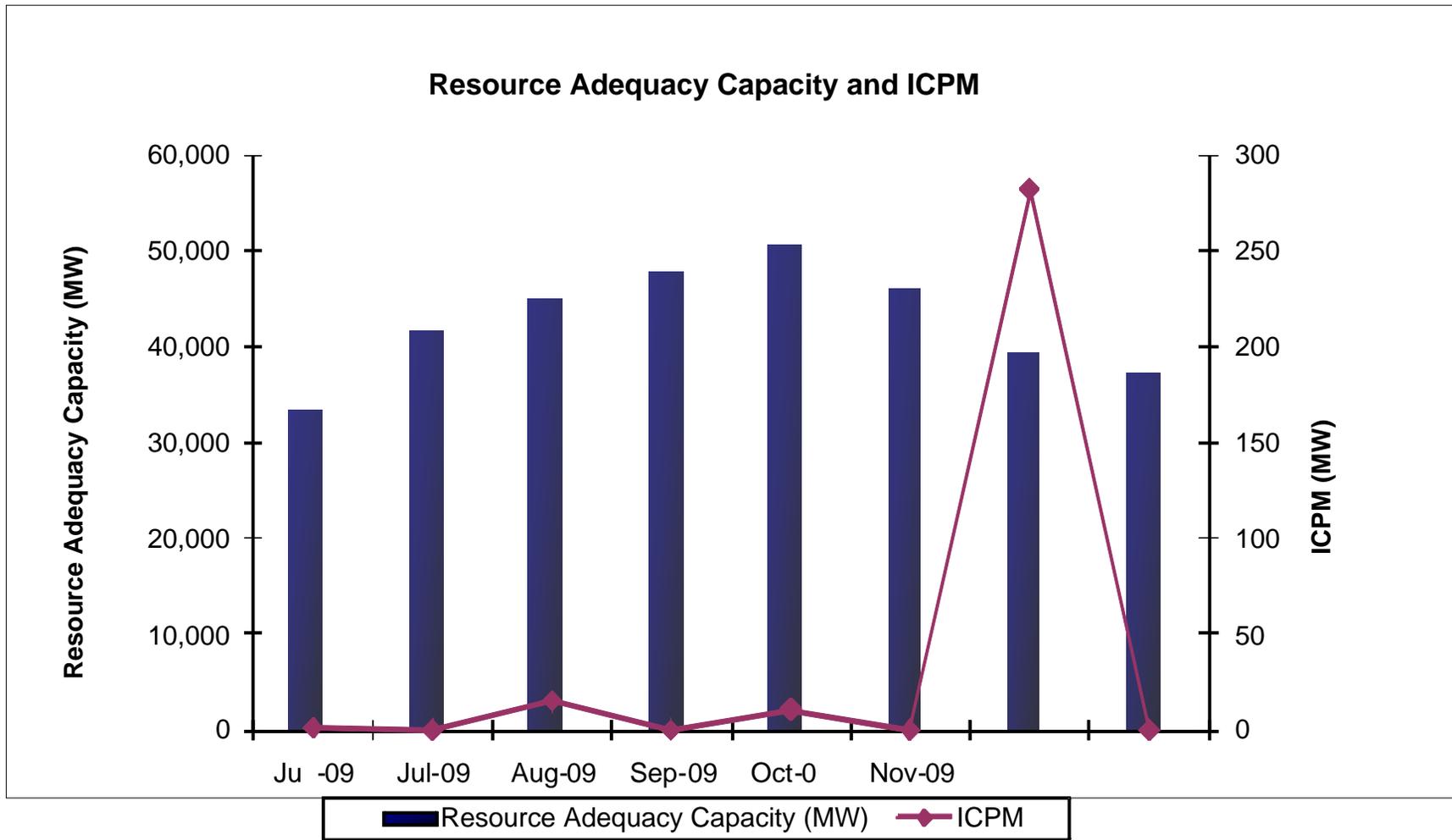
** March 2009 is the last month of pre-MRTU legacy and **April is the first month of post-MRTU production.

Amounts are estimated: there is a 75-day time lag before actual UFE data becomes available.

Reliability Must Run (RMR)

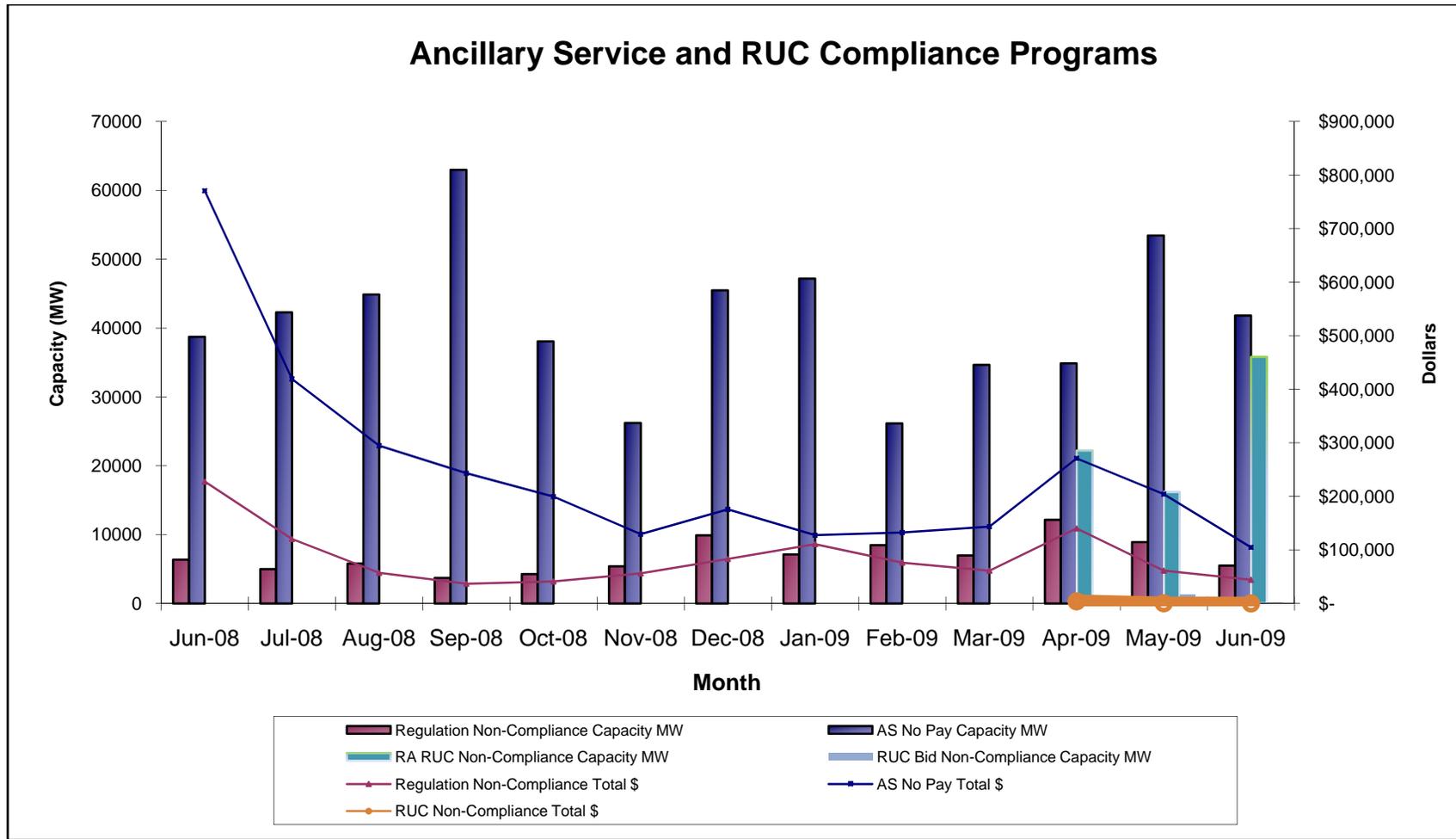


RMR decreased in 2009 to 6 facilities; down from 10 facilities in 2008.
 Note: There is a 120-day lag time before final actual RMR data becomes available.



Resource Adequacy Volume and ICPM Procurement

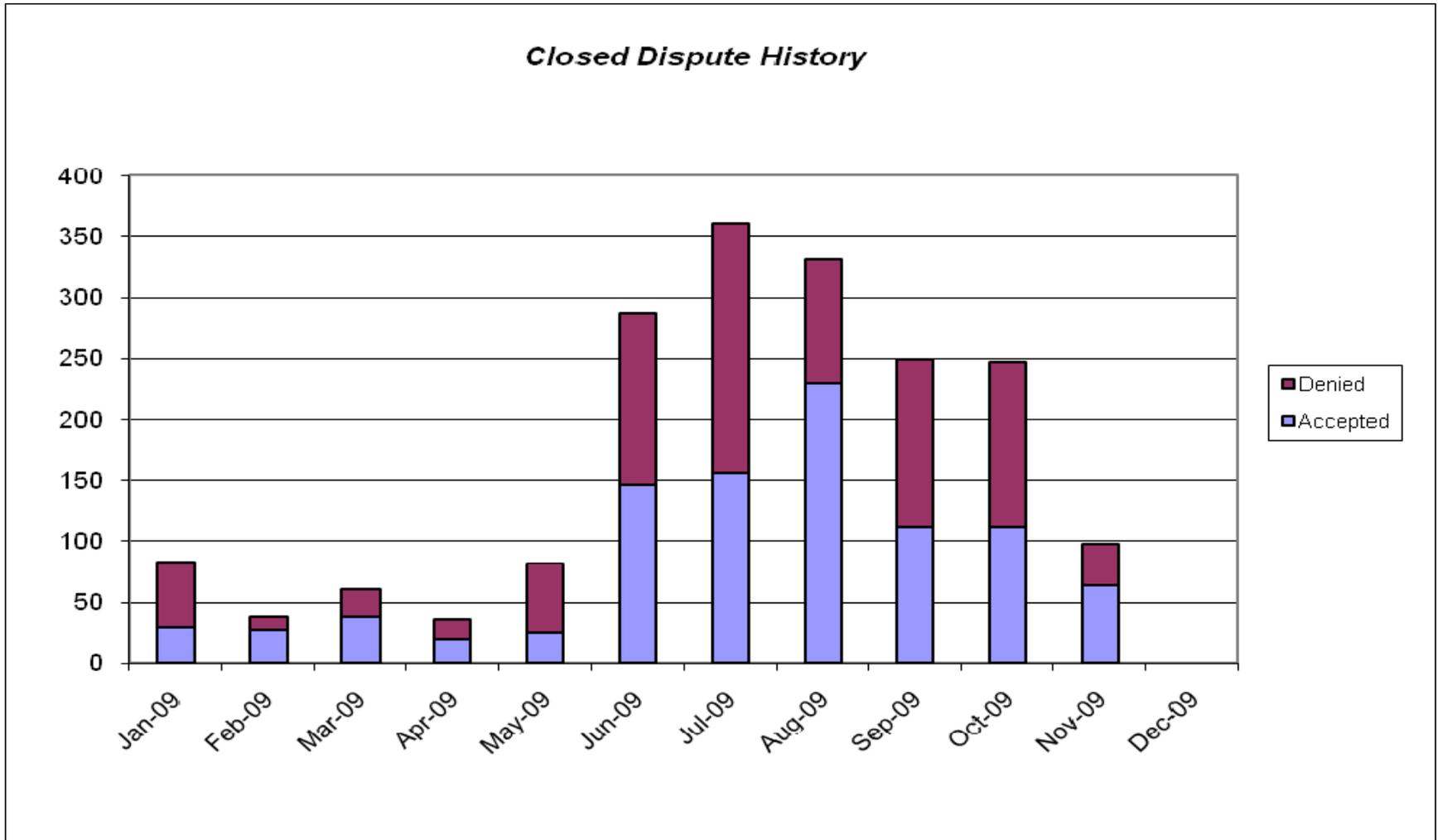
The total amount of resource adequacy capacity from generators and system resources, provided to meet local and system requirements as demonstrated in submitted supply plans, was 39,500 MW in October 2009 and 37,320 MW in November 2009. The ISO procured 281.6 MW of interim capacity procurement mechanism (ICPM) capacity in October as a result of the severe rainstorm on October 13. The ICPM monthly report is located at: <http://www.caiso.com/237a/237ac93c2a6c0.html>



Ancillary Service and RUC Compliance Programs

AS/RMR: shows the monthly totals of non-compliant ancillary service capacity (MW) for twelve months and non-compliant RUC capacity (MW) beginning April 2009. Operations Support monitors suppliers of ancillary services and RUC to ensure that ancillary service and RUC capacity awarded in the ISO markets is available in real-time.

Ancillary Services: In June 2009, an average of 99 percent of scheduled regulation was available. An average of 96 percent scheduled spinning reserve and non-spinning reserve was also available in June. The total value of rescinded ancillary service payments was approximately \$149,404 for June. **RUC:** An average of 78 percent of scheduled RUC was available. 99 percent of RUC procured in the forward market was from resource adequacy resources and 1 percent of RUC procured in the forward market was from RUC bids. The total value of rescinded RUC payments from RUC bids was approximately \$200 for June.



The increase in total disputes, both denied and accepted, correlates with the implementation of the new market. It was expected that such a dramatic change in the market would result in, at least initially, an increase in the number of disputes. Although, there was an increase in dispute volumes, starting in June, it was much less than expected. Due to early communication, configuration and interpretation, client issues were addressed prior to the first initial settlement statement. Resolution of these early items and software corrections as well as additional educational efforts with the scheduling coordinators has helped in a decline in the number of disputes in the subsequent month.

Definitions

The following are definitions of the items and or systems covered in the operations performance scorecard section of this report:

Control Performance Standards 1 & 2 - Control Performance Standard 1 (CPS1) is intended to provide a control area with a frequency sensitive evaluation of how well it is meeting its demand requirements. CPS1 is a statistical measure of *area control error* (ACE) variability. *Control Performance Standard 2 (CPS2)* is a statistical measure of ACE magnitude. It is designed to limit a control area's unscheduled (or inadvertent) power flows that could result from large ACE values.

Operating Transfer Capability Reportable Events - OTC Reportable Events are defined as those transmission path overloads that exceed WECC allowable time limits for stability rated (20 minute) and thermally rated (30 minute) paths.

ISO Control Area Frequency - The *ISO Control Area Frequency* figures report internal and external system disturbances and include reportable events of the *Disturbance Control Standard (DCS)* resulting from ISO Control Area internal disturbances, such as loss of a large generating unit or transmission line. WECC allowable time limit for disturbance recovery is 15 minutes. Per WECC criteria, qualifying disturbances are defined as those greater than 35% of our maximum generation loss from our most severe single contingency. The ISO's most severe single generation contingency is a nuclear unit with maximum generation output 1120 MW, 35% of which is the 392 MW thresholds used herein.

Residual Unit Commitment (RUC) Rescission Payments – The rescission charge for a RUC award rescinds the RUC capacity payments to the extent that the resource with a RUC award does not fulfill the requirements associated with the award. The rescission charge rescinds RUC capacity payment for generating units, dynamic system resources, and non-dynamic system resources when one of the following occurs:

- Generating Unit and Dynamic System Resource – RUC capacity is availability-limited undispachable due to an outage or rerate, is undelivered outside of a tolerance band, or ineligible for a RUC award because it is a resource adequacy resource
- Non-Dynamic System Resource – RUC award is adjusted due to differences between RUC award amount and E-Tag amount

Additional information and examples can be found in the business practice manual for compliance monitoring.