

ATTACHMENT B

AMENDMENT NO. 21 TARIFF REVISIONS

28. TEMPORARY RULE DISQUALIFYING CERTAIN ENERGY AND ANCILLARY SERVICE BIDS

28.1 Application and Termination

The temporary change disqualifying certain Energy and Ancillary Service bids set out in Section 28.2 shall continue in effect until November 15, 2000, unless its effectiveness is extended by order of the FERC such time as the Chief Executive Officer of the ISO posts a notice (“Notice of Full-Scale Operations”), on the ISO Home Page specifying the date on which this Section 28 shall cease to apply, which date shall not be less than seven (7) days after the Notice of Full-Scale Operations is posted.

28.2 Disqualification of Certain Energy and Ancillary Service Bids Amendment to Section 2.5.22.6

The ISO may establish price levels for the Imbalance Energy market and/or for any Ancillary Service market above which any bid for a Settlement Period to which the price level applies will be rejected. The ISO shall establish such price levels in accordance with criteria adopted by the ISO Governing Board from time to time and shall publish such price levels on WEnet or the ISO Home Page in advance of the first Settlement Period for which the ceiling price levels apply. Section 2.5.22.6 shall be amended by the addition of a new paragraph (c) as follows:

(c) — the ISO may at any time between the issue of the Final Day-Ahead Schedule for a Trading Day and the issue of the Final Hour-Ahead Schedule for the first Settlement Period in that Trading Day, publish, either through WEnet or on the ISO Home Page, a price level above which Energy bids in respect of any Settlement Period during the Trading Day will be rejected. If the ISO does not publish a price level for a Trading Day, the price level applicable on the previous Trading Day shall apply.

SBP 4.6

[NOT USED] Use of Adjustment Bids to Establish Priorities

In addition to being used to establish the value each Scheduling Coordinator places on the use of Congested Inter-Zonal Interfaces, Adjustment Bids are also used by the ISO to establish priorities associated with transmission service under Existing Contracts and to establish priorities associated with Reliability Must-Run Generation. Adjustment Bids have been reserved for use in establishing relative priorities. If the Congestion Management software is not capable of supporting the particular Adjustment Bid values and ranges upon the ISO Operations Date, the ISO will establish alternate values and ranges, which may be changed by the ISO with seven (7) days' prior notice to Scheduling Coordinators, by way of a notice posted on the ISO Internet "Home Page", at <http://www.caiso.com>, or such other Internet address as the ISO may publish from time to time. Otherwise, the values and ranges for Adjustment Bids to be submitted by Scheduling Coordinators or Adjustment Bids implicitly assigned by the Congestion Management software for these various purposes are as follows:

Adjustment Bid

Value/Range

\$/MWh

Use

10,000

Adjustment Bid value implicitly assigned by the Congestion Management software to Inter-Scheduling Coordinator Trade exports with a valid contract reference number for the amount of the Inter-Scheduling Coordinator Trade equal to or less than the MW amount specified in the Existing Contract (i.e., specified in the "Contract MW" field of the schedule template). Usage Charges are not calculated for these scheduled uses, except for any quantity of Energy scheduled in excess of the MW amount specified in the Existing Contract (i.e., specified in the "Contract MW" field of the schedule template) which is treated as a new firm use of ISO transmission service which the Congestion Management software values at the Adjustment Bid price and for which Usage Charges may be accounted to the Scheduling Coordinator as a price-taker of ISO transmission service.

9,000 to 10,000

Adjustment Bid range available for Demand and external export schedules using Existing Contract rights with a valid contract reference number. Usage Charges are not calculated for these scheduled uses except for quantities of Energy scheduled in excess of the MW amount specified in the Existing Contract (which is treated as a new firm use of ISO transmission service which the Congestion Management software implicitly values at the Adjustment Bid price within this range) and for which Usage Charges may be accounted to the Scheduling Coordinator as a price-taker of ISO transmission service.

4,000

Adjustment Bid value implicitly assigned by the Congestion Management software to protect Day-Ahead commitments of new firm uses in the Hour-Ahead Market (specifically with respect to schedules of Demand and external exports).

1,500

Adjustment Bid value implicitly assigned by the Congestion Management software to Inter-Scheduling Coordinator Trade exports using new firm uses of ISO transmission service. Usage Charges are calculated for these scheduled uses.

700

Adjustment Bid value implicitly assigned by the Congestion Management software for Demand schedules of new firm uses when no Adjustment Bid is provided (i.e., a "price-taker"). Usage Charges are calculated for these scheduled uses. The Congestion Management software also uses this value to extend the lower megawatt end of submitted Adjustment Bids for Demand schedules to zero megawatts.

600

Adjustment Bid value implicitly assigned by the Congestion Management software for external

export schedules of new firm uses when no Adjustment Bid is provided (i.e., a “price-taker”) or to extend the lower megawatt end of the Adjustment Bid to zero megawatts. This is also the Adjustment Bid value implicitly used by the Congestion Management software to extend the upper megawatt end of a Generator’s Adjustment Bid to the Generator’s physical maximum limit (for external import schedules, and for external export schedules, the upper megawatt end of the Adjustment Bid is treated as the “physical” maximum limit and, as such, is not extended). Usage Charges are calculated for these scheduled uses.

0.01 to 250

Adjustment Bid range available for scheduling new firm uses of ISO transmission service bid as potential “price-makers.” The high-end value of this range is initially set at \$250/MWh, but can be increased by the ISO to \$500/MWh, upon seven days notice. Usage Charges are calculated for these scheduled uses. This is the “normal” economic range for Adjustment Bids. The default Usage Charge is calculated by the Congestion Management software to fall within this range in accordance with Section 7.3.1.3 of the ISO Tariff.

0.001 to < 0.01

Adjustment Bid range available for scheduling the use of conditional firm Existing Contract rights. Although available for Existing Contract use, this range is not protected from Usage Charges since the charges would be calculated in fractions of dollars (e.g., 100 MW at \$0.01/MWh produces a \$1.00 charge). A contract reference number is not used for scheduling use of conditional firm Existing Contract rights.

0

Adjustment Bid value available for scheduling either new firm uses of ISO transmission service or uses of Existing Contract rights and expressing a zero dollar value for adjustments. This is the Adjustment Bid value implicitly assigned by the Congestion Management software for a Generator or external import that is specified with a contract reference number that cannot be verified in the

ISO's scheduling system and submitted with a negative Adjustment Bid outside of the range reserved for Existing Contracts (i.e., -\$9,000 to -\$10,000)

-600

Adjustment Bid value implicitly assigned by the Congestion Management software for Generation and external import schedules of new firm uses when no Adjustment Bid is provided (i.e., a "price-taker") or to extend the lower megawatt end of a Generator's Adjustment Bid to the Generator's physical minimum limit. This is also the Adjustment Bid value used by the Congestion Management software to extend the lower megawatt end of an external import's Adjustment Bid to zero megawatts. If a Scheduling Coordinator is relying partially on Existing Contract rights for an external import or Generator schedule bid and wishes to be a "price-taker" for the balance not covered by those rights, it must explicitly submit this value as its Adjustment Bid for the balance.

-1,500

Adjustment Bid value implicitly assigned by the Congestion Management software to Inter-Scheduling Coordinator Trade imports using new firm uses of ISO transmission service. Usage Charges are calculated for these scheduled uses.

-4,000

Adjustment Bid value implicitly assigned by the Congestion Management software to protect Day-Ahead commitments of new firm uses in the Hour-Ahead Market (specifically with respect to schedules of Generation and external imports).

-9,000 to -10,000

Adjustment Bid range available for scheduling Generation and external imports using Existing Contract rights with a valid contract reference number. Usage Charges are not calculated for these scheduled uses except for quantities of Energy scheduled in excess of the MW amount specified in the Existing Contract (which is treated as a new firm use of ISO transmission service and values the additional transmission service at the Adjustment Bid price within this range) and for which Usage Charges may be accounted to the

Scheduling Coordinator as a price-taker of ISO transmission service. An Adjustment Bid, for an Existing Contract use, submitted with a price for the first (or single) segment outside of this range will be treated by the Congestion Management software as a zero price bid.

-10,000

Adjustment Bid value implicitly assigned by the Congestion Management software to Inter-Scheduling Coordinator Trade imports with a valid contract reference number for the amount of the Inter-Scheduling Coordinator Trade equal to or less than the MW amount specified in the Existing Contract. Usage Charges are not calculated for these scheduled uses except for quantities of Energy scheduled in excess of the amount specified in the "Contract MW" field of the scheduling template (for which the amount is treated as a new firm use of ISO transmission service and values the additional transmission service at the Adjustment Bid price within this range) and for which Usage Charges are accounted to the Scheduling Coordinator as a price-taker for ISO transmission service.

-30,000

Adjustment Bid value available for scheduling Reliability Must-Run Generation. Usage Charges are calculated for these scheduled uses. An Adjustment Bid, for such priority type use, submitted with a price for the first (or single) segment less than this value will be treated by the Congestion Management software as a zero value bid.