



California Independent
System Operator Corporation

August 10, 2007

Hon. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**RE: California Independent System Operator Corporation
Submission of Supplemental Information in Support of the
August 3, 2007, Filing of Tariff Revisions to Implement the
Market Redesign and Technology Upgrade
Docket No. ER06-615-_____
Docket No. ER07- 1257-_____**

Dear Secretary Bose:

On August 3, 2007, the California Independent System Operator Corporation ("CAISO") filed proposed revisions to its Market Redesign and Technology Upgrade ("MRTU") Tariff in the above-captioned proceeding ("August 3 Filing") in compliance with certain Commission orders as well as certain related MRTU Tariff revisions submitted for Commission review pursuant to Section 205 of the Federal Power Act.

The CAISO has always recognized the need to supplement the comprehensive MRTU Tariff with supporting Business Practice Manuals ("BPMs") that provide implementation details, examples, templates, timelines, and other information to assist Market Participants in operating under the MRTU markets. Certain entities commenting on the February 2006 filing of the MRTU Tariff argued that these BPMs should be filed for Commission review. In the Commission's September 21, 2006, order in Docket No. ER06-615,¹ the Commission rejected comments seeking a Commission mandate that the CAISO file the BPMs in their entirety for Commission review. Instead, the Commission directed the CAISO to continue its BPM stakeholder process:

We direct the CAISO to continue working with stakeholders to develop the Business Practice Manuals. Once this process is completed, we direct the CAISO to file, within 30 days of the completion of the Business Practice Manuals stakeholder process, but no later than 180 days before the effective date of MRTU Release 1, any necessary additions to the MRTU Tariff. We will then schedule a period of comments; after which, we direct Commission staff to convene a technical conference to assist us

¹ *Cal. Indep. Sys. Operator Corp.*, 116 FERC ¶ 61,274 (2006) ("September 21 Order").

in the determination of which practices or details remaining in the Business Practice Manuals might appropriately belong in the MRTU Tariff.

September 21 Order at P 1370.

The August 3 Filing included the necessary additions to the MRTU Tariff identified by the CAISO through the BPM stakeholder process to comply with this directive. As explained in that filing, the BPMs have been reviewed through an extensive stakeholder process. The CAISO's stakeholder process invited stakeholders to identify particular details in the BPMs that they believed should be in the tariff.² The CAISO considered the comments and questions and, where the CAISO agreed with stakeholders, the CAISO added detail to the MRTU Tariff.

In the August 3 Filing, the CAISO explained that it was developing a table that summarizes the CAISO's responses to stakeholder proposals to move detail from the draft BPMs to the MRTU Tariff.³ Due to the need to devote resources to other portions of the August 3 Filing required to comply with Commission directives, the CAISO was unable to complete this table by August 3. As promised in the August 3 Filing, the CAISO now submits this table as supplemental information in support of the BPM-related MRTU Tariff revisions included in the August 3 Filing. This table is provided as Attachment A to the instant filing. The CAISO notes that, in the course of preparation of this table, the CAISO found it necessary to update the sets of stakeholder comments and CAISO responses regarding these issues previously posted on the CAISO Website. The CAISO will post updated sets of stakeholder comments and CAISO responses to reflect the provisions of the attached table in the near future.

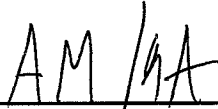
The modest delay in submitting the attached table in support of the August 3 filing should create no hardship for any interested party because the CAISO has proposed a longer-than-standard comment period on the August 3 Filing of 28 days. To the extent the Commission issues a separate notice of filing with respect to the attached table, the CAISO requests that the Commission establish a comment date of August 31 – the same comment date the CAISO has requested for the August 3 Filing itself.

The CAISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, the California Electricity Oversight Board, all parties with effective Scheduling Coordinator Service Agreements under the CAISO Tariff, and all parties in Docket No. ER06-615. In addition, the CAISO has posted a copy of the filing on the CAISO Website.

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

² See August 3 Filing Letter at 22.

³ *Id.*

Handwritten signature of Sidney M. Davies in black ink, consisting of the letters 'AM' followed by a stylized 'DA'.

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Dated: August 10, 2007

Attachment A

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

DEFINITIONS AND ACRONYMS BPM

DEFINITIONS AND ACRONYMS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	Definitions and Acronyms Definition of "Contingency"	Seems odd to define a Contingency as an "unexpected" Outage when the CAISO's market software will be performing contingency analysis that will evaluate the performance of the system expecting those outages to occur. The phrase "...that is unexpected, viewed as possible or eventually probable..." could be deleted without changing the meaning of this definition.	This comment raises a substantive issue regarding the definition of "Contingency" in the CAISO Tariff, which has already been conditionally accepted by FERC. The CAISO proposes a revision to this definition in the CAISO Tariff to replace "unexpected" with "unplanned." This revision to that definition will be made to this same definition in the BPM.
WPTF	Definitions and Acronyms Definition of "Default Energy Bid"	A Default Energy Bid is a Bid, not a price. A price is a point on a Bid.	This comment raises a substantive issue regarding the definition of "Default Energy Bid" in the CAISO Tariff, which has already been conditionally accepted by FERC. The CAISO proposes a revision to this definition in the CAISO Tariff to address this comment. This revision to that definition will be made to this same definition in the BPM.
WPTF	Definitions and Acronyms Definitions of "Distribution Curve" and Generation Distribution Bid"	Are these the same thing? If not, how do they differ?	The CAISO Tariff defined term "Distribution Curve" has been proposed to be revised in both the BPM and Appendix A to the CAISO Tariff to read "Generation Distribution Factor (GDF)." The CAISO proposes to revise the BPMs and the CAISO Tariff to substitute this term for use of the term "Distribution Curve." The CAISO will also review uses of the term "Generation Distribution Bid" to determine if it should be replaced with the term "Generation Distribution Factor" in some or all cases.
WPTF	Definitions and Acronyms Definition of Energy Bid Curve	This definition contains a rule – "If the resource has Forbidden Operating Regions, each Forbidden Operating region must be reflected as a single, separate Energy Bid Curve Segment" – that should be taken out of the definition and put into in the bidding and scheduling section.	This comment raises a substantive issue regarding the definition of "Energy Bid Curve" in the CAISO Tariff, which has already been conditionally accepted by FERC. The CAISO does not consider a revision to this definition to be necessary.
WPTF	Definitions and Acronyms Definition of "Loop Flow"	Loop flow does not result only from actions outside the CAISO control area. For example, if CAISO raised PG&E generation to meet an increase in SDG&E load, clockwise loop flow would increase.	This comment raises a substantive issue regarding the definition of "Loop Flow" in the CAISO Tariff, which has already been conditionally accepted by FERC. The CAISO does not consider a revision to this definition to be necessary.
WPTF	Definitions and Acronyms	This definition says the Start-Up Time is the time to go from Off to Minimum Load, but because a unit is "Off" when "...in the process	This comment raises a substantive issue regarding the definitions of "Start-Up Time" and "Off" in the CAISO Tariff,

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	Definition of "Start-Up Time"	of starting up...", when does the Start-Up Time begin?	which have already been conditionally accepted by FERC. The Start-Up Time begins when a Generating Unit begins to commence operations in preparation to deliver Energy to the grid. The CAISO does not consider a revision to these definitions to be necessary.
WPTF	Definitions and Acronyms Definition of System Reliability	No mention of complying with Applicable Reliability Criteria in this definition? This definition is in the tariff, though no [T] designation is provided.	This comment is correct that the term "System Reliability" is defined in the CAISO Tariff, and it has been marked as such. The comment also raises a substantive issue regarding the definition of "System Reliability" in the CAISO Tariff, which has already been conditionally accepted by FERC. The CAISO does not consider a revision to this definition to be necessary.
WPTF	Definitions and Acronyms various terms that are defined in the BPMs but not in the tariff	Some of these definitions would affect rates, terms or conditions of service and belong in the tariff - e.g., Gas Index Price, Proxy Cost, etc.	Any terms used in provisions of the BPMs that are also used in provisions of the CAISO Tariff, including the terms "Gas Price Index" and "Proxy Cost," if applicable, will be added to Appendix A of the CAISO Tariff.
WPTF	Definitions and Acronyms various terms that are not yet defined in either the BPMs or the tariffs	It is not possible to conclude whether these definitions should be in the tariff or possibly might be needed only in the BPMs until the terms are defined. Some still undefined terms (e.g., Aggregated Distribution Factor, Capacity Benefit Margin, Maximum Net Dependable Capacity, etc.) would seem to be so crucial to rates, terms or conditions of service that they would belong in the tariff.	Any terms used in provisions of the BPMs that are also used in provisions of the CAISO Tariff, including the terms "Aggregated Distribution Factor," "Capacity Benefit Margin," and "Maximum Net Dependable Capacity," if applicable, will be added to Appendix A of the CAISO Tariff.
WPTF	Definitions and Acronyms Definition of "Frequently Mitigated Unit"	FERC has rejected the condition that an FMU must run at least 200 hours (See September 21 2006 MRTU Order, P. 1062).	The comment is correct in noting that FERC rejected the referenced condition in the referenced MRTU order. As the CAISO has proposed revisions to Section 39.8 that address this comment, the CAISO proposes to delete the specified language from the definition of "Frequently Mitigated Unit" in both the CAISO Tariff and the BPM and to substitute a reference to Section 39.8.
WPTF	Definitions and Acronyms Definition of "Non-	Noting that this definition has not changed from the S&R Tariff - it still refers to off-line capacity - why does the CAISO intend to change its current practice of allowing synchronized units to provide	The CAISO proposes to incorporate this revision to this definition in the CAISO Tariff and in this same definition in the BPM.

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	Spinning Reserve"	non-spinning reserve in MRTU? (See May 13, 2005 CR Communication regarding this issue.) Could the CAISO point to where that change in practice was discussed in the MRTU transmittal letter?	
SMUD	Various defined terms	<p>The following terms are defined differently in Appendix A to the Tariff and in the BPM for Definitions and Acronyms (Version 3, 4/2/07):</p> <p>Candidate CRR Holder CRR Holder Day-Ahead Market (DAM) Excess Cost Payments Existing Zone Extremely Long-Start Resource Long Start Unit Monthly Available CRR Capacity Monthly CRR Monthly CRR Eligible Quantity Monthly CRR Load Metric Participating Load Priority Nomination Process Seasonable Available CRR Capacity Seasonal CRR Seasonal CRR Eligible Settlement Statement Rerun</p>	The CAISO will revise the definitions of terms in the BPM for Definitions & Acronyms to conform to the definitions of the same terms set forth in the CAISO Tariff.
SMUD	Various terms in the CAISO Tariff	<p>SMUD's April 10, 2006 MRTU Protest identified a number of capitalized terms appearing in the tariff for which there was no corresponding definition. Those same terms, identified below, remain undefined in the BPM and/or Tariff.</p> <p>CAISO Grid Operations Charges CAISO Operational Control Central Valley Project California Oregon Transmission Project Compliance Testing Deviation Bank Direct Access Distribution Factor</p>	As directed by FERC in Paragraph 1330 of FERC's September 21, 2006 order, the CAISO has reviewed the CAISO Tariff to identify all terms used with capitalization and not defined. The CAISO proposes to define all terms (that are not already proper names) that are to be used in the CAISO Tariff with capitalization, including many of the terms listed in the comment. In cases where the terms have been used with capitalization incorrectly, the CAISO will correct the usage of the term to reflect the correct terminology in the CAISO Tariff.

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DEFINITIONS AND ACRONYMS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		Emergency Conditions Emissions Costs Existing Contract IFM Congestion Credit Local Furnishing TO Metered Demand MRTU Non-Converted Rights Notice of Termination Real-Time Energy Operation Charge / ASREO Source Name Sink Name Transition Date Transmission Exchange Agreement UDC Operating Agreement Value Area Network Electric System Data Generating Unit Outage	
SWP	Demand Response Program	Q. What about DR programs that CAISO plans to introduce at wholesale level? The above definition may not capture wholesale demand response sponsored by CAISO.	In the event the CAISO introduces additional Demand response programs at the wholesale level, the CAISO will submit any necessary amendments to the CAISO Tariff, including any revisions to or additional defined terms, at that time.
SWP	Generation Distribution Factor (GDF)	Q. Is this different from LDF for participating load in its custom LAP or the same as LDF for custom LAP? In other words, how does GDF apply to a Participating Load (PL) that is acting as a Supply?	GDF does not apply to a Participating Load. No additional revisions to the definition of GDF that is being added to the CAISO Tariff are necessary.
SWP	IFM Bid Cost	Q. IFM Minimum Curtailable Demand is not a defined term in the tariff. Instead, Minimum Curtailable Demand Bid is a defined term. Does the term "Minimum Curtailable Demand" apply to MRTU Release 1 PL functionality?	The term "IFM Minimum Curtailable Demand" is proposed to be deleted from the CAISO Tariff as undefined and unused -- as is the term "Minimum Curtailable Demand Bid." The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets.
SWP	Incrementable Demand	"Demand from a Participating Load that may, if the Participating Load's operations so permit, be incremented (e.g., to manage	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the

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		overgeneration) at the request of the CAISO in the Real-Time Dispatch of the CAISO Controlled Grid." Comment: Above definition is not a term that is included in the BPM and tariff. Just as Curtailable demand for a participating load is defined, this term may be added to capture load increment side of PL.	CAISO's markets. As a result, there is no need for the proposed new term.
SWP	Inter-SC Trade (IST)	Q. Does this definition capture IST of IFM Load Uplift Obligation.?	The definition of "Inter-SC Trade" is proposed to be revised to add a reference to "IFM Load Uplift Obligation."
SWP	Load Reduction Initiation	Q. What is meant by load reduction initiation time and what is its relationship with cost for a PL?	The terms "Load Reduction Initiation" is proposed to be deleted from the CAISO Tariff as unused. The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets.
SWP	Minimum Down Time (MDT)	Comment: In a PL perspective, this could be minimum time the pump remains on-line after being started. This term that applies to generator does not fit to a PL in supply mode. A PL supplies when it is in off mode. An appropriate term should address similar inter-temporal constraint for a PL.	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets. As a result, there is no need for any revision to the definition of "Minimum Down Time."
SWP	Minimum Load (ML)	Comment: Tariff 11.8.2.1 equates this to Minimum Curtailable Demand for PL, but no definition exists for Minimum Curtailable Demand; Definition for Minimum Curtailable Demand Bid exists instead.	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets. As a result, the term "Minimum Curtailable Demand Bid" is proposed to be deleted from the CAISO Tariff, and there is no need for a new defined term "Minimum Curtailable Demand" in the CAISO Tariff.
SWP	Minimum Load Bid	Comment: Per tariff 11.8.2.1, Minimum Load Bid should have been replaced by Minimum Curtailable Demand Bid for PL-for consistency of use of the terms. Perhaps tariff definition of Minimum Curtailable Demand Bid intends to capture Minimum Load Bid for a PL.	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets. As a result, the term "Minimum Curtailable Demand Bid" is proposed to be deleted from the CAISO Tariff. "Minimum Load Bid" is not used in Section 11.8.2.1 of the CAISO Tariff.
SWP	Minimum Load Costs	Comment: This definition appears redundant in terms of application to PL because the tariff defined term Minimum Curtailable Demand Bid may have been intended to capture the Minimum Load Costs associated with PL.	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets. However, the CAISO does not consider it necessary to revise the term "Minimum Load Costs" in order to implement this alternative approach.
SWP	Minimum Load	Q. Does this apply to PL also? Because Minimum Curtailable	The CAISO has proposed an alternative set of defined terms

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DEFINITIONS AND ACRONYMS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
	Energy	Demand is used for PL instead of Minimum load.	relating to the participation of Participating Load in the CAISO's markets. The CAISO does not consider it necessary to revise the term "Minimum Load Energy" in order to implement this alternative approach.
SWP	Minimum Run Time	Comment: This inter-temporal constraint also applies to a PL. In a PL's supply mode perspective, it is the minimum time the pump remains off-line after being shut down. An appropriate term should address the inter-temporal constraint for a PL.	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets. The CAISO does not consider it necessary to revise the term "Minimum Run Time" in order to implement this alternative approach.
SWP	Net Negative Deviation CAISO Demand	Comment: This definition may result in penalties such as RUC cost allocation for schedules that appear above Day Ahead Schedule in HASP/RTM using ETC and IST for energy in a scheduling coordinator's portfolio. So, the definition should be modified as: The difference between metered CAISO Demand and the total Demand scheduled in the Day Ahead Market or the Hour Ahead Scheduling Process using ETCs, IST of energy and ISO dispatch to increment demand whichever is the latest for a Scheduling Coordinator's portfolio.	This definition has already been accepted by FERC. The CAISO does not consider a revision to this definition to be necessary.
SWP	Participating Load	Comment: PL can curtail load as well as increase such as for overgeneration mitigation. So, the definition should be modified to: "An entity providing Curtailable Demand or Incrementable Demand, including.....may be amended." "Incrementable Demand" should be defined as mentioned above.	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets. The CAISO does not consider it necessary to revise the term "Participating Load" in order to implement this alternative approach.
SWP	Pump Shut-Down Costs	Comment: This definition does not capture "Pump" only resources because it only includes Pumped Storage Hydro Unit.	The CAISO proposes to revise the definition to refer to all Participating Load rather than just to a Pumped Storage Hydro Unit.
SWP	Pumping Load	Comment: This definition should be modified as: A hydro pumping resource that is capable of responding to Dispatch Instructions by decreasing, or, if operationally feasible, by increasing the pumping.	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets. The CAISO does not consider it necessary to revise the term "Pumping Load" in order to implement this alternative approach.
SWP	RTM Bid Cost	Comment: Minimum Curtailable Demand is not a defined term.	The CAISO has proposed an alternative set of defined terms relating to the participation of Participating Load in the CAISO's markets. As a result, the term "Minimum

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		DEFINITIONS AND ACRONYMS BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			Curtable Demand" is proposed to be deleted from use in this definition.
SWP	Shut Down Cost	Q. Is this a generator shut down cost or Pump Shut Down Cost? If this refers to pump shut-down cost, then this term is redundant because Pump Shut Down Cost already exists. In that case, what does it refer to?	The term "Shut-Down Cost" is used in the CAISO Tariff in relation to Generating Units. The CAISO does not consider it necessary to revise this term or its definition.
SWP	Uninstructed Deviation	Comment: For the purpose of MRTU-GMC (May 10 whitepaper, page 11- Market Usage Billing determinant), "Net Uninstructed Deviation" should also be defined.	The CAISO has not yet completed the development of revisions to the CAISO Tariff to address the elements of the Grid Management Charge. This proposed new definition will be considered in the context of that set of revisions to the CAISO Tariff.
SWP	Congestion Management Charge	Q. If the Congestion Management Charge is going to be eliminated under MRTU, will this definition be eliminated? Or will this definition represent the costs associated with the CRR process under MRTU? Costs associated with CRR process is not listed in the MRTU GMC elements. CAISO incurs certain costs with the current CRR process. How will the cost associated with the on-going CRR process be allocated until the formal CRR charge code will be developed and incorporated into the MRTU GMC?	The CAISO has not yet completed the development of revisions to the CAISO Tariff to address the elements of the Grid Management Charge. This comment will be considered in the context of that set of revisions to the CAISO Tariff.
MWD	Existing Contract or ETC	In the BPM, Section 5.1.1, ETCs are described as "...contractual agreements established prior to the creation of the CAISO by which a PTO is obligated to provide transmission service to another party,..." However, the Tariff definition for ETCs or Existing Contracts never mentions the PTO is providing the service. I suggest making the Tariff definition consistent with the BPM because it is more accurate.	The CAISO considers the term "Existing Contract" to be properly defined in the CAISO Tariff, and no revision to this term is necessary. The CAISO will consider whether there is a need to revise the provisions of the BPM to be consistent.
MWD	Existing Rights	In the MRTU Tariff Appendix A, Existing Rights are proposed to be defined as " The transmission service rights and obligations of Non-Participating TOs under Existing Contracts....." The use of Non-Participating TOs conflicts with the ETC definition that uses "party". A party to an Existing Contract does not have to be a TO or a Non-Participating TO which refers to transmission owners. I suggest changing the definition by replacing Non-Participating TOs to "...a party under an ETC or Existing Contract..."	The proposed definition of the term "Existing Rights" is copied from the existing provisions of Section 16 of the CAISO Tariff, which have already be accepted. The CAISO does not consider any revision to these previously-accepted provisions to be necessary just because they are proposed to be moved into the definition. Moreover, the use of the term "Existing Rights" in Section 16 provides context that makes clear that it applies to the rights of a party to an Existing

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		DEFINITIONS AND ACRONYMS BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			Contract.

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MARKET INSTRUMENTS BPM

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Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	3.2	Footnote 2 states: "CAISO does not accept bids for the next Trading Day between the time of Market Close at 1000 hours and the publication of the DAM results at 1300 hours." This provision cannot be found in the tariff. Since it is a hard limitation on the ability of SCs to schedule or bid it should be in the tariff.	Agree. Tariff language will be added.
WPTF	3.4.1	"Each Wheeling transaction is identified with a unique Wheeling identifier referred to as the Wheeling reference....There must be at least one source (generating or import resource) and at least one sink (Load or export resource) among all Bids that refer to the same Wheeling reference for a given Trading Hour. It is a requirement that either all sources or all sinks be external to the CAISO Controlled Grid." No reference to a wheeling transaction can be found in the tariff. Terms and requirements should be in the tariff.	Definitions for "Wheeling" "Wheeling Out" and "Wheeling Through" are in Appendix A to the tariff and wheeling transactions are also references in the tariff, e.g. Section 26.1.4. BPM Section 3.4.1 uses terms consistent with tariff.
WPTF	3.5	"SCs may submit ISTs for Ancillary Services beginning 0000 hours of the day prior to the Trading Day and up to 45 minutes prior to the Trading Hour. ...Hence, SCs submit ISTs for IFM Load Uplift Obligation beginning 0000 hours of the day prior to the Trading Day, up to 45 minutes prior to the Trading Hour " References in the tariff (6.5.4.1.2) reference trades for energy only. The deadline for AS and IFM load uplift trades should be specified in the tariff.	Agree that Section 6.5.4.1.2 timeline for submitting ISTs should apply to all ISTs. Tariff language will be added.
WPTF	4.1	"Comment to Reviewers: The terms "Bid based" and "Cost based" currently in Section 30.4 of the MRTU Tariff will be changed to "Registered Cost" and "Proxy Cost" in a future FERC "clean up" Tariff amendment." Language needs to be reconciled in tariff.	Agree. Tariff language will be added.
WPTF	5.1.1.1.1	Tariff section 30.12 reads: "For a Generating Unit, the submitted Start Up Cost expressed in dollars (\$) as a function of down time expressed in minutes must be a staircase function with up to 3 segments defined by a set of 1 to 4 down time and Start Up Cost pairs....The submitted Start Up Cost function shall be validated as follows:... The Start Up Cost for each segment must not be negative and must not exceed the Start Up Cost of the corresponding segment of the cost-based Start Up Cost function, as registered in the Master File for the relevant resource. For gas-fired resources, the cost based startup cost function shall be derived from the startup fuel function, as registered in the Master File for the relevant resource, and the applicable gas price index as	LDF is defined in Appendix A to the Tariff in relation to a Load Aggregation Point. In response to questions regarding the Market Operations BPM, the CAISO will be posting additional tariff language concerning LDFs.

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MARKET INSTRUMENTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		approved by FERC. (30.12)". However the BPM states: "Supply Bids...(CAISO inserts Master File Data, unless SC submits value less than Master File value)....If a value is submitted in the Bid for the Start- Up Cost it will be overwritten by the Master File value. If no value for Start-Up Cost is submitted in the Bid, CAISO will insert the Master File value for the Start-Up Cost into the bid." as if SCs do not have the right to submit any start-up costs and that the Master data file information will be used exclusively. These conflict and should be clearly specified in tariff and reconciled with the ability to change bids every six months.	
WPTF	5.1.1.1.1	"SCs need not enter Minimum Load Cost into their DAM Bid. If the SC does submit data for this component, CAISO overwrites the Bid component with the data from the Master File. " Consistent with other comment under 5.1.1.1.1 this needs to be clearly specified in tariff and reconciled with the ability to change bids every six months.	BPM is correct. Tariff language will be added consistent with BPM.
WPTF	5.1.2.5.1 and 5.1.4.1.5 and 5.2.2.4	"Base Self-Schedules must be submitted balanced between source and sink. Sources and sinks must use the same Base reference number." (5.1.2.5.1 and "Base Self-Schedules must be submitted balanced between source and sink. Sources and sinks must use the same Base reference number. The Base reference number must be registered in the Master File prior to the Self-Schedule taking place." (5.1.4.1.5) No reference to Base Self-Schedules can be found in tariff. These provisions should be in tariff.	This terminology has been deleted from the BPM.
WPTF	5.1.3.1.1. and 5.1.3.1.2	Start up bid is "Not entered by SC through SIBR)"...If the SC does submit data for this component, CAISO overwrites the Bid component with the data from the Master File. If the SC has selected Registered Cost for the Minimum Load Cost, this value can be changed every six months through the Master File. If the SC has selected Proxy Cost for the Minimum Load Cost, CAISO calculates this value daily based on the daily gas price. The process used by CAISO to calculate the daily gas price is described in Attachment C. The Minimum Load Cost is constant for the entire Trading Day. If the SC submits a Minimum Load Cost component in the DAM..." See issue under 5.1.1.1.1. These statements conflict with one another and conflict with the tariff. Needs resolution and consistency with the tariff.	BPM is correct. Tariff language will be added consistent with BPM.
WPTF	5.1.3.13	"An hourly Pre-Dispatch Indicator (Y/N). This value defaults to N, and is applicable only to System Resources and not Generating Units. This Bid component is used only by Dynamic and Non-Dynamic Resource-Specific System Resources that are registered as part of an Embedded Control Area	BPM definition has been added. CAISO believes detail appropriate for BPM.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

		MARKET INSTRUMENTS BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		(ECA) or Adjacent Control Area (ACA). " No reference to a predispatch flag can be found in tariff.	
WPTF	5.1.4.1.3	"A Regulatory Must-Take/Regulatory Must-Run (RMT) Generation Bid component contains: Self-Schedule Identifier – RMT RMT Generation Reference – These are registered in the Master File Self-Schedule capacity, expressed in MW" No reference to bid components for this bid type could be found in tariff. Provision should be in the tariff.	BPM specifies more granular details appropriate for BPM and consistent with tariff that RMT has specific curtailment priority.
WPTF	5.2.2.1	"TOR Self-Schedules must be submitted balanced between source and sink, and must be within the allotted ownership rights for that TOR, as specified in the TRTC provided in advance to the CAISO. Sources and sinks must use the same TOR Contract Reference Number. The Contract Reference Number must be registered in the Master File prior to the TOR Self-Schedule taking place. (CAISO Tariff Section 17.3.1, Validation of TOR Self-Schedules)." Tariff section 17.3.1 does not exist in the February tariff. Terms should be in the tariff.	Tariff language regarding TORs added as part of November 20, 2006 compliance filing.
WPTF	5.2.2.2	"Sources and sinks must use the same ETC Contract Reference Number. The Contract Reference Number must be registered in the Master File prior to the ETC Self-Schedule taking place." Provisions cannot be found in referenced tariff section number 16.6.1. Provisions should be in tariff.	In March 9 filing, CAISO filed tariff language indicating requirement for ETC contract reference number.
WPTF	5.2.2.5	"Load Distribution Factors (LDFs) for allowed customized aggregation come from the LDF library maintained by CAISO. The LDF Library contains the following: Distribution Location – the Connectivity Node (CNode) associated with the Custom Load Aggregation Resource Distribution Factor – Load Distribution Factor for the Custom Load Aggregation Resource located at the Distribution Location". Aggregation resource load bids cannot be found in tariff and specifications need to be in the tariff.	LDF is defined in Appendix A to the Tariff in relation to a Load Aggregation Point. In response to questions regarding the Market Operations BPM, the CAISO will be posting additional tariff language concerning LDFs.
WPTF	7	"RUC may commit resources, as required, for days subsequent to the next Trading Day." Cannot locate this ISO capacity in tariff and Tariff needs to indicate this ISO right and the criteria with respect to the ISO's procurement as well as the settlements associated with committing for days in advance.	The quoted sentence from the BPM should be removed.
WPTF	7.1	"If a resource is not under a RA obligation, the RUC Availability Bid that the resource submits is interpreted as an incremental amount of capacity that the resource is willing to provide in the Day-Ahead Market for RUC in addition to its Day-Ahead Market Bids and Self-Schedules." [The "incremental amount"	The CAISO confirms that RA Capacity must submit Bids in the Day-Ahead market and will propose tariff language that clarifies that RUC participating is required for RA resources to the extent capacity is not committed in the

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

		MARKET INSTRUMENTS BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		seems incorrect as one doesn't know their DAM results at the time of bid. This should be resolved and be included in and/or made consistent with the tariff language.	IFM.
WPTF	7.1	"All resources with RA Capacity must participate in the RUC process by submitting an RA RUC Availability Bid, expressed in MW. [Same issue as above. What is the requirement? To participate either in the energy market or RUC?] " As with the other comment under 7.1, this requirement seems misplaced given that an RA unit can simply bid or offer energy or AS into the IFM and thereby need not necessarily offer RUC. Please resolve and include in tariff.	The CAISO confirms that RA Capacity must submit Bids in the Day-Ahead market and will propose tariff language that clarifies that RUC participating is required for RA resources to the extent capacity is not committed in the IFM.
WPTF	8.2	" Wheeling Bids using the same wheeling reference that are not matched with a source and a sink. Wheeling bid components will be erased from the bid at the time of market close if they are no matching source and sink is found. Wheeling quantities that are not balanced. Wheeling bid components will be erased from the bid at market close time if the wheeling quantities are not matching." Validation rules for wheeling bids need to be in tariff and cannot be located in February Tariff.	Bid Validation requirements set forth in Tariff Section 30.7 apply generally to all Bids and indicated specific details are included in the BPMs.
WPTF	8.2	" Inter-SC Trades counterparties are not matched. Inter-SC Trades without matching counterparties are deemed invalid at market close time.... Circular dependency found in a chain of Inter-SC Trades. Trades with circular dependencies are deemed invalid at market close time." This seems inconsistent with the fact that trades can be submitted until noon in the DAM or T-45 (?) minutes in the HASP. Resolve and make consistent with tariff.	BPM is inconsistent. Section 6.5.4.1.2 of the tariff sets forth the IST timeline, which is consistent with BPM Section 3.5 of the BPM. Inconsistent sections of the BPM should be reconciled, including Section 8.2.
WPTF	8.2	"ECA/ACA base references and quantities that are not balanced. ECA/ACAs that have base self-schedules where references and quantities are not balanced are adjusted to pro-rata to put them in balance after market close time." Specifics need to be in tariff.	This section has been deleted from the BPM.
WPTF	8.2	"ETC Self-Schedules that are over the Entitlement amount. ETCs that are over their Entitlement amount at market close time will be deemed invalid." Specifics need to be in tariff.	ETC scheduling rights are limited by ETC rights. The CAISO believes that no additional tariff language is needed.
WPTF	8.2	"TOR Self-Schedules that are over the transmission right amount. TORs that are over there transmission right amount will be deemed invalid at market close time." Specifics need to be in tariff.	TOR scheduling rights are limited by the TOR rights. The CAISO believes that no additional tariff language is needed.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

		MARKET INSTRUMENTS BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	9.1	"Trades at Aggregated Pricing Nodes that are also Defined Trading Hubs or LAPS (APN)" Tariff does not seem to include a restriction to defined trading hubs or LAPS. Need to resolve with tariff.	Tariff language reconciled in November 20, 2006 compliance filing.
WPTF	9.1.1	Several phrases leave ambiguous the validation and treatment of ISTs, including: "CAISO performs postmarket validation of the ISTs based on the IFM or RTM results, and converts invalid portions of PHYs to Converted Physical Trades." and "the quantity of ISTs if necessary, based on the Generating Unit Bid in the DAM" How the ISO performs the validation and whether or not bids or results are used should be clarified and made consistent with the tariff.	The tariff clearly distinguished the two processes: pre-market validation and postmarket confirmation and the CAISO does not believe any additional tariff language is required.
WPTF	9.1.2.3	"In the post-market confirmation of PHYs, CAISO determines whether SC's PHY ISTs are supported (either directly or through an IST with another SC) by a transmission feasible Generating Unit scheduled at the same PNode that has scheduled energy that is equal to or greater than the amount of the IST." This seems at least somewhat inconsistent with the tariff language in 28.1.6.3 which indicates that final validation is based on the generators market result (independent upon whether it was transmission feasible or what level it scheduled, for example. Please make consistent.	The tariff clearly distinguished the two process: pre-market validation and postmarket confirmation and the CAISO does not believe any additional tariff language is required.
WPTF	9.2 and 9.2.2	Tariff section 28.2.3 reads: Scheduling Coordinators may submit Inter-SC Trade of Ancillary Services at any time prior to the time that the CAISO conducts its final validation run as specified in Section 28.2.2." The BPM is more restrictive and reads: "ASTs take place coincident with the RTM. ASTs may be submitted beginning at midnight the day prior to the Trading Hour up to 45 minute prior to the Trading Hour." These should be resolved and consistent requirements reflected in the BPM and tariff.	The timelines in the tariff and BPM for ISTs should be consistent as provided in Section 6.5.4.1.2 of the MRTU tariff and apply to all ISTs.
WPTF	9.3.1	...Submitted as early as 12:00 midnight ' True up and reflect in tariff.	The CAISO confirms that RA Capacity must submit Bids in the Day-Ahead market and will propose tariff language that clarifies that RUC participating is required for RA resources to the extent capacity is not committed in the IFM.
WPTF	10	BPM language needs to be completed before tariff impacts can be assessed.	Agree. Section should be filled in by April 2.
WPTF	11.1	BPM calls for a report of "Segments of the "new" or mitigated Bid as a result of the Day-Ahead Market Power Mitigation Process". Tariff 6.5 indicates the following will be provided: "Day-Ahead final resource Bid mitigation results." Are these the same? BPM language differs from Tariff language located and	BPM contains somewhat more specific description of more general language used in tariff. Both clearly point to a report that contains results of market power mitigation, if any, on Bids. No tariff language is needed.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

Stakeholder	BPM Section	MARKET INSTRUMENTS BPM	CAISO Response
		Stakeholder Comment	
		BPM and Tariff need to be reconciled.	
WPTF	11.1	BPM calls for a report of "Information about the "new" Bid that is used if the original Bid is mitigated in the Hour-Ahead Scheduling Process (HASP), as well as identifying the segment that failed the Conduct Test ". Tariff 6.5 indicates the following will be provided: "Day Ahead mitigation indicator;." BPM language differs from Tariff language and Tariff should include the more specific information of the BPM.	BPM contains somewhat more specific description of more general language used in tariff. Both clearly point to a report that contains results of market power mitigation, if any, on Bids. No tariff language is needed.
WPTF	11.1	BPM calls for several reports: 'Independent Entity-supplied default Bid Curve data used in the Market Power Mitigation process', 'Day-Ahead resource-specific prices (for Energy Schedules, Ancillary Services Awards, RUC Awards) of Generating Units', 'Day-Ahead resource-specific prices for Energy Schedules and Ancillary Services Awards of Participating Loads; and resource-specific prices for Energy Schedules of Non-Participating Loads', 'HASP resource-specific prices for the next Trading Hour', 'Resources that are self-committed or committed by the IFM or RUC process in the Day-Ahead Market', 'Post-market or after-the-fact Energy accounting results for settlement calculations' 'Startup instructions resulting from the Extra Long Commitment (ELC) process' BPM provisions could not be found in Tariff and warrants inclusion.	The information reports described in the BPM falls under more general categories of information specified in Section 6 of the MRTU Tariff. No additional tariff authority is required.
WPTF	11.1.5	Import/Export schedule report calls for 'an instruction source: Indicates the source or origin of the instruction: Self-commitment, Day-Ahead Market, or from the RUC process. In release 1, only instructions from the RUC process' These elements and their availability could not be found in the tariff and warrant inclusion, including the lack of availability of the other instruction sources in R1.	General tariff language concerning the subject of the reports is provided in the tariff and is sufficient.
WPTF	11.1.9	BPM states that the ELS report will include the following field: 'Indicator whether the instruction is binding or not', yet Tariff section 31.7.3 from the Dec compliance filing indicates that ELS commitments are [necessarily] binding. BPM language differs from Tariff language located and BPM and Tariff need to be reconciled.	ELS report will issue binding instructions, so Tariff is correct.
WPTF	12.1	"Ti ADS instructions can be either Binding or Advisory." Conditions under which ADS instructions are either binding or advisory should be specified and included in the tariff as these directly affect settlements and performance obligations of SCs.	ADS instructions will always be binding.
WPTF	12.1	"Depending on the instruction and assuming the user has the appropriate rights, the user has 90 seconds to respond to the instruction (for Intertie	The CAISO has clarified Section 12.1 of the BPM but does not believe any changes to Section 34.11.1 are

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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Stakeholder	BPM Section	MARKET INSTRUMENTS BPM	CAISO Response
		Stakeholder Comment	
		resources only)." " If the user does not respond within the 90 second window, ADS automatically responds with a "Timed-out" and will be forcibly declined. There are two other time frames in which to change a response for an Intertie: (5 minutes after the Client time out by the CAISO dispatcher on behalf of the Client, and again at 30 minutes after the hour per the CAISO dispatcher).... If the user does not respond within the 90 second window, ADS automatically responds with an "accept". SLIC tickets will need to be submitted on resources that can not meet Real Time dispatch instructions." Tariff section 34.11.1, Response to Dispatch Instructions, lists no response time. This requirement should be included in tariff assuming it affects settlements or compliance.	warranted. The tariff provides Dispatch Instructions must be complied with immediately or as otherwise directed in the Dispatch Instruction.
WPTF	12.1	" For Intertie System Resources, the user has the option to accept, partially accept or decline the instruction. The user is allowed to undo his response at any time within the 90 second window." Tariff section 34.11.1, Response to Dispatch Instructions, lists no response time. This requirement should be included in tariff assuming it affects settlements or compliance.	The CAISO agrees that Tariff Section 34.11.2 should include a reference to the response times set forth in the BPM but not the response times themselves.
WPTF	12.1	"Binding start-up and shut-down instructions (looks ahead 4 hours beyond the Trading hour) (Can be Advisory or Binding depending on the resource limitations to meet start-up)". Conditions under which ADS instructions are either binding or advisory should be specified and included in the tariff as these directly affect settlements and performance obligations of SCs.	Start-Up instructions will always be binding when issued.
WPTF	12.3	"Whether or not the batch is a binding batch. For the first release of ADS MRTU, this will always be 1 (binding)." This seems to suggest that ADS instructions are always binding. This conflicts with other sections in the BPM. Conditions under which ADS instructions are either binding or advisory should be specified and included in the tariff as these directly affect settlements and performance obligations of SCs.	ADS will issue only binding instructions consistent with tariff.
WPTF	13.2	"Lists planned and actual Transmission Outage events per Transmission Interface by direction. The list is updated with every outage event. List includes: Outage description, Outage start-time and end time, rating of the curtailed line, Outage notes." These transmission reporting details are important to understanding the nature of the outages. Tariff provision 6.5.3.2.1 states only: "CAISO will publish updated Outage information regarding the transmission system on OASIS"	Tariff section 6.5.3.2.1 provides that the CAISO will publish outage information. The CAISO believes that it is appropriate for the particular details be specified in a BPM.
WPTF	13.4	'Lists all RUC System Load and Resource Schedules, for each RUC Zone, plus CAISO Total for each Operating Hour, RUC hourly Capacity from	The CAISO believes that it is appropriate for the details of the information to be provided to be set forth in a

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

		MARKET INSTRUMENTS BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		Generation, and RUC hourly Capacity from imports.' Tariff (6.5.3.2.2) only refers to: 'RUC prices by Bus'. These other RUC details are important and should be referenced in tariff.	BPM.
WPTF	13.7	Tariff provision 6.5.6.1.1. does not specify all the bid types as does the BPM: 'all the RUC Capacity Bids for Generating Units, Bids for Participating Loads, Bids for Non-Participating Loads, Bids from import and export.' These other details are useful and should be included in tariff.	Tariff Section 30.2. lists Energy Bids, Ancillary Services Bids and RUC Availability Bids. Section 30.5 includes substantial and adequate detail on how such Bids can be submitted.
WPTF	B.1	'The process of requesting operational parameter changes follows the following timeframe: ~ 5-11 business days from receipt of the request to implementation into the Master File database to be available for scheduling. ' Tariff provision 30.7.3.2 indicates that updates will be made: 'Once a day the Master File data is updated with changes to the Master File that were submitted at least seven (7) Business Days in advance' BPM language differs from Tariff language located and BPM and Tariff need to be reconciled.	Tariff and BPM will be conformed.
WPTF	C	The tariff references gas prices in Section 39.7.1.1, stating: 'The Fuel Cost portion will be calculated for each Bid segment using the Heat Rate supplied by the resource owner on file in the Master File and applicable regional natural gas price indices as specified in the Business Practice Manual.' Additionally the tariff section entitled 'Gas Price Indices' (6.5.2.3.4) states: 'The CAISO will publish relevant gas price indices when available.' In other words, very little detail is provided in the tariff. The BPM section includes relevant details for gas price indices themselves and the intra-state gas transport costs. These details are critical ones to be included in the tariff. The ISO should file tariff language incorporating these costs as these are critical to how the majority of gas fired units under the CAISO's control will be compensated. Further, significant costs seem to be missing from the BPM's Gas Transportation Costs, including - but not limited to - state regulation fees, G-SUR fees, and other fuel-related costs comparable to how RMR gas prices are. Again, the gas price determination is critical to the	The April 2 draft BPM updated and revised the material on DEB calculations. The June 25 order required certain details to be included in the tariff concerning calculation of gas price indices in accordance with P 502 of the April 20 Order and the CAISO has complied. Also, although the RMR Contract provides for recovery of certain additional specific costs, the MRTU Tariff provides for a 10% adder in lieu of specific additional costs.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

		MARKET INSTRUMENTS BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		compensation of generating units and as a result the ISO should prepare a detailed description of the elements and a rational for inclusion or exclusion of other gas delivery costs and then file this as part of the FERC tariff.	
WPTF	D	BPM needs updating for defined terms in order to be consistent with tariff.	The CAISO is engaged in an ongoing effort to make sure that BPM terms are consistent with defined tariff terms.
WPTF	D.3	These provisions need to be in the tariff. They have a significant impact on a generator's dispatch and payment.	The CAISO believes that it has struck an appropriate balance of detail in the tariff vs. BPM in the compliance filing on this subject make on December 20, 2006.
WPTF	D.3.1, D.3.1 .1, and D.4.	Eligibility test needs to be deleted given compliance filing.	The CAISO proposes to leave this requirement in the BPM with a note indicating that it is subject to a pending rehearing request.
WPTF	D.3.1 .2	Tariff 39.7.1.2 includes no provisions for this feasibility test, nor is it found elsewhere in tariff. The ISO needs to reconcile this, making a filing to include these provisions if they are not already included elsewhere in the tariff.	The CAISO agrees that some additional tariff language is appropriate.
WPTF	D.5	These curve details as well as its applicability cannot be found in reference to the DEB in the tariff. Please indicate the tariff connection or otherwise include into the tariff provisions.	The CAISO believes that the tariff reference in Section 39.7.1.2 to 'Default Energy Bid curve' as calculated in the BPM is adequate.
WPTF	D.6	"Should any market participant feel that this adder is insufficient then they can approach the independent entity and agree upon a different rate in consultation with that entity' This provision should be added to Tariff section 39.7.1.1, as this option for the variable cost option is not included in that Tariff section.	Section 39.7.1.1 of the MRTU Tariff indicates that resource specific values can be negotiated. Accordingly, the tariff and BPM are consistent.
WPTF	D	'RMR units do not receive the 10% adder for their contract capacity. For available capacity in excess of the MNDC the Scheduling Coordinator representing the RMR unit must rank order their calculation preference between the same three methodologies, namely LMPbased, Cost-based and Negotiated. This preference will then apply to the non-RMR capacity between the MNDC and the PMax of the unit. The independent entity will concatenate these two calculation methodologies (contract based for the RMR capacity and preference based for the non-RMR capacity), adjust them for monotonocity and submit them to CAISO as a single DEB. ' These BPM	The CAISO agrees and has added tariff language, Section 39.7.1.6, to clarify applicability of DEB tariff provisions to RMR Units.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

Stakeholder	BPM Section	MARKET INSTRUMENTS BPM	CAISO Response
		Stakeholder Comment	
		provisions should be added to the Tariff.	
WPTF	E.4	<p>"Partially-contracted RA units are treated in the following two ways: Units with some portion of their capacity under an RA contract are not prohibited from receiving a Bid Adder (as stated above). If a partial-RA unit meets the eligibility criteria to receive a Bid Adder, the Bid Adder (default or negotiated) is pro-rated to reflect the proportion of that unit's capacity that is not contracted. For example, an FMU with 75% of its capacity under an RA contract would receive a \$6/MWh Bid Adder as the default. The pro-rated Bid Adder for partial-RA units are applied to the entire cost-based DEB." This language could not be located within the tariff. The provisions to the extent they are not in tariff provisions require a filing prior to its adoption and inclusion in the tariff.</p>	The CAISO agrees that tariff language should be added to clarify eligibility of Partially-contracted RA units.
WPTF	8.2	p. 71: 'SCs will need to take action on warnings to endure their bids or trades will be market accepted.' This language seems garbled; at any rate, I don't understand the meaning. Similarly, p. 72: 'Wheeling bid components will be erased from the bid at market close time if the wheeling quantities are not matching,' and 'are adjusted to pro-rate to put them in balance after market close time.' These usages of 'endure,' 'erased,' and 'to pro-rata' are neither obvious nor found elsewhere in the BPMs.	This has been changed and will be viewable in the BPM for August 1 release. "SCs will need to take action on warnings to ensure their bids or trades will be accepted for a particular market. Warnings are issued in the following cases:..."
WPTF	C.4	It seems that the effect of the day-ahead timeline is to potentially change gas prices, and therefore affect bidding, at a time when such changes are not convenient (i.e., bidders will be required to come in after 3 AM but as early as possible in order to determine whether gas price changes require overall bidding strategy changes). Not sure very significant parameters like gas price should be changed by the ISO in the narrow window of the morning before the DAM closes -- The ISO should publish parameters, wherever possible, two days ahead of the trade date.	The CAISO is attempting to provide gas prices that are as accurate as possible. Any gas price published two days ahead of the trade date will be more than two days out of date. The CAISO believes that our current gas price strategy strikes an appropriate balance between accuracy and certainty.

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MARKET OPERATIONS BPM

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
WPTF	Self-Schedule priority is not included in February tariff and needs to be. These BPM details need to be included in tariff as it suggests that exports from short start RA will be scheduled with a high priority even if not RUC'd: "Any Self-Scheduled export that is not explicitly supported by Energy from either non Resource Adequacy Capacity or Resource Adequacy Capacity that has not been committed in the RUC process has a lower priority than CAISO Forecast of CAISO Demand in the HASP."	This detail was included in Tariff through the Nov 20 filing. See Section 31.4 and 34.10
SMUD	BPM states "MSS entity must make annual choices to Choose to load-follow or not load-follow with its Generating Units. By electing to Load-follow, an MSS automatically has opted out of RUC."	This change was made to the tariff. See Section 31.5.2 of the MRTU Tariff.
WPTF	"including providing e-Tags for all transactions" , "Tracking and settling all intermediate trades, including bilateral transactions and Inter-SC Trades, among the entities for which it serves as SC" not in tariff, " Scheduling Coordinator is responsible for providing GDF's" not in referenced tariff section ; BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	Additional detail has been added to Tariff Section 4.5.3.2.
WPTF	BPM says: "A Self-Schedule indicates that the resource is self-committed, i.e., the IFM does not commit Self-Scheduled resources through its Unit Commitment process in the IFM, RUC, STUC, or RTUC. A Self-Schedule, although at a higher priority than Economic Bids, may be reduced through uneconomic adjustments in the IFM if this is necessary to resolve network Constraints. Self-Schedules may also be adjusted by the IFM, as necessary, to resolve any resource operational or inter-temporal constraint violations. Such reductions of Self-Schedules are considered as uneconomic schedule adjustments." But a resource that self-schedules in the HASP additional energy should still be compensated for UC if committed in the IFM. Writing in BPM needs to be cleaned up or the tariff should indicate that a unit committed in the IFM and then further self-scheduled in HASP won't get compensated for start-up costs. Need a clarification in here like	Added clarification to the BPM: "Note, however, that a Self-Schedule cleared in the HASP or RTED for a resources committed by the CAISO in the Day-Ahead Market does not constitute a Self-Commitment as it pertains for eligibility for recovery of their Start-Up Costs." No changes required in the tariff.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	footnote 9.	
WPTF	Following not found in Feb tariff and warrants inclusion: "SCs may also submit an Intertie Block Bid (i.e., a Bid from a System Resource that offers the same quantity across multiple, contiguous hours of the Trading Day). Intertie Block Bids include (in addition to the Energy Bid Curve) the number of consecutive Trading Hours that any portion of the Bid may be accepted at the minimum. Intertie Block Bids for System Resources or Energy Exports that are submitted as Intertie Block Bids are implemented as Economic Bids, not as Self-Schedules."	CAISO is continuing to evaluate this request.
WPTF	For example, one statement says: "SCs may submit single Bids for multiple Generating Units at an APNode (e.g., Aggregate Generating Resource, which consist of Physical Scheduling Plant and System Unit) or individual Bids for individual Generating Units at individual PNodes" A second statement says: "This is in addition to the SC's responsibility to submit Outage data to SLIC. If the SC has not submitted GDFs, the CAISO uses default GDFs, which reflect Outage data that is available to the automated market systems, and that, are normalized before being used." Statement cannot be found in tariff. Tariff also does not address Aggregated Generating Resources, though BPM says this is part of the generation interconnection process. BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff specify	CAISO will only accept aggregated generation bids from Physical Scheduling Plants and System Units. Section 30.5.2.2 will be modified to specify that supply bids may be submitted for Physical Scheduling Points and will specify that the Distribution Curve is to be submitted for these type of resources. Also, we will include language in section 30.5.2.2 that if the SC has not submitted the generation distribution factors, the CAISO will use default generation distribution factors, which reflect outage data that is available to the automated market systems, and that, are normalized before being used. Section 30.5.2.5 covers System Units which is the only other resource from which the CAISO will receive aggregate supply bids. Between section 30.5.2.2 and 30.5.2.5, there is no need to add language pertaining to a broader category of Aggregated Generation Resource, which was used as shorthand to these two types of resources in our BPM and the SIBR rules.
WPTF	In general, the pricing Location of a Generating Unit coincides with the CNode where the relevant revenue quality meter is connected or corrected...Although the schedule, Dispatch, and LMP of a Generating Unit refers to the PNode, the Energy injection is modeled in the FNM for network analysis purposes at the corresponding Generating Unit(s) (at the physical interconnection point)". Warrants inclusion in Tariff.	Additional detail has been added to Tariff Section 27.5.1 .
WPTF	For IFM, the LDF library uses a similar-day methodology for smoothing the most recent LDFs. The similar-day methodology uses data separately for each day of the week and holidays, rather than for weather conditions. More recent days are weighted more heavily in the smoothing calculations." Warrants inclusion in Tariff.	New Section on LDFs was added to Tariff Section 27.5.5

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
WPTF	"The IFM also calculates the Shadow Prices of all binding network Constraints at the optimal solution. Of these Shadow Prices, only the Shadow Prices on Constraints at Scheduling Points are significant for Settlement." Parties may want these for their evaluation of the impact of transmission constraints. Warrants inclusion in Tariff.	Settlement prices are adequately covered in the tariff. This does not add any relevant detail to the prices determination.
WPTF	PNodes are defined by Meter Service Agreements or other contracts between the CAISO and other entities" May affect pricing outcome for resource. Warrants inclusion in tariff.	CAISO is continuing to evaluate this request.
WPTF	CAISO uses a distributed Load reference for LMP decomposition" Warrants inclusion in tariff.	This detail is already in Section 27.1.1.1 of the Tariff. No further changes necessary.
WPTF	Regional definitions or requirements need to be included in the tariff. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	On March 20, 2007, the CAISO submitted a compliance filing adding detail to the tariff on the definition of Ancillary Services regions. The BPM will be updated to reflect the changes made in that filing.
WPTF	<p>These BPM details need to be included in tariff. For example the following details appear in BPM but not tariff: "In the case where the activation or deactivation of an AS Region is of a temporary nature or imposed by a Forced Outage, the process for MP review and comment may be constrained by a need to maintain system reliability and efficient AS markets. CAISO anticipates that it would be for rare, highly impacting Forced Outages that the fast-tracked activation/deactivation process would be required. Under the most extreme conditions, a market notice would be provided at least promptly after decision of activation or deactivation of an AS Region is taken. Such notice is provided at least 1 hour prior to the submission close of Bids to the Day-Ahead Market of the day that the change takes affect. in order to provide time for MP's to adjust their Bids, including Self-Schedules.</p> <p>For planned Outages and other foreseen changes in system conditions, CAISO prepares studies that identify and support the need to add, eliminate, or change the active/inactive attribute for AS Regions. In this process, CAISO provides for an adequate MP review and comment period, and provides a market notice in advance of an eminent change to the AS Regions definitions and utilization. CAISO has</p>	On March 20, 2007, the CAISO submitted a compliance filing adding detail to the tariff on the definition of Ancillary Services regions. The BPM will be updated to reflect the changes made in that filing.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	adopted standard lead time criteria. The CAISO will have a Stakeholder process for such changes."	
WPTF	Conversion of AS self provision to energy for RA: for example: "If the market optimization determines that capacity submitted as SPAS for an RA Resource is needed as Energy to resolve transmission constraints and/or satisfy the energy balance constraint (i.e., solve problem locally before looking at larger LAP Load reductions), then such Self Provided AS capacity is partially or entirely disqualified." This needs to be resolved and reflected in tariff. This needs to be resolved and reflected in tariff.	This detail is already in Section 31.3.1.2 of the tariff. No further detail in the tariff is necessary.
WPTF	Tariff section 40.5.5 (1) ii. States that "If the Resource Adequacy Resource submits a Bid for Ancillary Services, the Energy Bid associated with the Bid for Ancillary Services will be optimized by the CAISO." This implies that "...an Energy schedule or award AS or both could result" However, no tariff language could be found related to this though ISO said these sections state conditions. This needs to be resolved and reflected in tariff.	The appropriate reference to the Tariff is Section 40.6.1(5). The comment is correct that this Section explicitly states that Resource Adequacy Capacity may receive an Energy Schedule and/or an AS Award even where the Resource Adequacy Resource Bid, including a Self-Schedule, for AS. Sections 4.2.1 - 4.3 of the BPM describe the process for optimizing Energy from Resource Adequacy Capacity that submits an AS Bid. The detail of this optimization process is properly included in the BPM as authorized by Tariff Section 40.6.1.(5).
WPTF	Cannot find any tariff language related to this though ISO said in previous response to BPM Q&A that the offer obligations for different types of RA Resources are set fourth in 40.6 of the CAISO Tariff. This needs to be resolved and reflected in tariff.	Section 40.6.1 specifies that a Resource Adequacy Resource that Bids Resource Adequacy Capacity as AS will be subject to the Energy Optimization procedures of the CAISO for the Energy Bid associated with the AS capacity. The detail of this optimization process is properly included in the BPM, rather than included in the Tariff
WPTF	Each RTM application retrieves updated Outage information from SLIC at each Dispatch time and then allocates each Ancillary Service Award onto the Energy Bid as follows:" Per ISO in response to a BPM Q&A..."In responding to the request for Tariff references, it is necessary to distinguish between Regulation procurement and Regulation dispatch. The CAISO procures Regulation based on Bid price (see Section 30 of the CAISO Tariff). Once Regulation is procured, AGC dispatches it according to effectiveness in maintaining WECC and NERC standards based on the units' technical characteristics as described in Sections 8.4.1 and 8.4.1.1. "Sustained" means that the unit has been away from its DOP (on the same side) for	Tariff reference is incorrect. CAISO will confirm accuracy of material in BPM and will supplement the tariff accordingly.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	<p>at least three intervals.</p> <p>Resources scheduled to provide Regulation are not exempt from Uninstructed Deviation Penalties (UDP). The UDP equations located in the Compliance Monitoring BPM in Section 2. The UDP equations are designed so that when a resource that is scheduled for Regulation is actually on Automatic Generation Control in real-time, has sufficient operating capacity to accommodate the Regulation schedule and is following CAISO setpoint signals, then the resource will not receive UDP. A unit scheduled to provide Regulation could receive UDP if in real-time, the resource did not turn on Automatic Generation Control and its deviation from the DOP is larger than its Tolerance Band. The software does not necessarily assume that it will be brought back to its DOP. If a Regulation unit has an Imbalance Energy Bid, it will be dispatched from its actual Operating Point, rather than its DOP." However, the referenced tariff section does not discuss treatment of outages. Needs to be resolved and reflected in tariff.</p>	
WPTF	<p>BPM references tariff section 4.2.5 yet the AS allocation on the energy bid and the impact of outages on energy treatment for various services is not mentioned in the tariff. Does not address 25% limitation from external control areas. However, Tariff section 8.3.3 states: "The CAISO may also establish a maximum limit for Ancillary Services procured at any single import Scheduling Point." Needs to be included in tariff.</p>	CAISO is continuing to review this request.
WPTF	<p>Per tariff section 30.7, Reg Up and Reg Down are dispatched based on effectiveness and then paid the Uninstructed Energy Price. This is problematic because the ISO assigns the highest value of the resource (the top of its energy bid curve) to Reg Up yet pays the resource uninstructed energy without any rationale provided other than that over a period you may expect it to return to its DOP. Further Section 34.19.1 says that UIE will be settled in accordance with Appendix N, yet Appendix N says that the appendix will be removed and put into a BPM. So there seems to be no description of how UIE will be settled either generally, or relating to the case in which one is trying to confirm that Regulation energy will be settled as UIE. This needs to be</p>	UIE is settled as provided in Section 11.5 of the Tariff. Section 34.19.1 will be clarified accordingly.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
	resolved and reflected in tariff.	
WPTF	The ISO can use Reg Up for spinning or non-spinning reserves and when they do this the unit's energy if dispatched will be compensated as UIE. Tariff makes no mention of the settlement consequences of the dispatched energy when reg is used for spin or non spin, namely that the energy cannot set the LMP and is treated as UIE. BPM terms and conditions are important and should be included in tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	If an AS Bid in DAM is not included and the Energy Bid does not extend to the full available capacity of the resource, then all or part of the AS Bid is considered to use available capacity that is not covered by the Energy Bid, and no opportunity cost is considered in the co-optimization of Energy and AS. " Suggests the ISO can extend bids into unbid sections. Note that it doesn't limit this process to RA capacity. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	<p>The quoted sentence in the comment is the second sentence in the first bullet of Section 4.3 of the BPM.</p> <p>The first sentence of that bullet states "All AS Bids (not Self-Provided) may be accompanied by an Energy Bid in DAM, and must be accompanied by an Energy Bid, in order for RTM, which are used as the AS Bid is considered in the AS selection process (which is part of the simultaneous Energy, AS, and Congestion Market Clearing process)." This sentence is incorrect. All AS BIDS must contain an Energy Bid (see § 30.5.2.6); it is Self Provided AS that does not require an Energy Bid in the IFM but will require that one be submitted in HASP/RTM.</p> <p>Regarding the quoted sentence itself, it is incorrectly stated and will be corrected in the BPM to read as follows: "If an AS Bid in DAM is included and the Energy Bid does not extend to the full available capacity of the resource, then all or part of the AS Bid is considered to use available capacity that is not covered by the Energy Bid, and no opportunity cost is considered in the co-optimization of Energy and AS."</p> <p>No tariff changes are necessary. First bullet in Section 4.3 of the BPM will be corrected (1st sentence) and clarified (2nd sentence) as provided above.</p>
WPTF	For AS that is Self-Provided in the IFM, an Energy Bid may be submitted for DAM, but must be submitted later, specifically, in the HASP/Real-Time Bid submission timeframe." BPM detail could not be located in February tariff and it warrants inclusion in the tariff. Except that 8.6.2 says: "A Submission to Self-Provide an Ancillary Service is a submission that contains all of the requirements for an Ancillary Service Bid with the exception of capacity price information."	<p>No Tariff change required.</p> <p>See Section 34.16.1 "Scheduling Coordinators for resources that have been awarded or self-provide Regulation Up, Spinning Reserve, or Non-Spinning Reserve capacity must submit an Energy Bid for at least all the awarded or self-provided Ancillary Services capacity;</p> <p>Section 31.1 "Bids for Ancillary Services that are not Submissions to Self-</p>

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
		Provide an Ancillary Service in the DAM must also contain a Bid for Energy”; and § 34.13 (noting that RA resources that self-provided AS in the DAM must submit an Energy bid in RTM). See also § 31.3.1.2(1) (referring to self-provided AS capacity that may not have supplied an Energy Bid).
WPTF	"Because awarded AS capacity must be backed up by available transmission capacity in order to transmit in case AS are dispatched for Energy, System Resources awarded AS are charged for congestion in case the AS are in the Import direction, and in the direction of the congestion. If there is congestion in the export direction (e.g., the opposite direction to the awarded AS), no credit is given due to the fact that AS capacity does not provide a physical counterflow and does not relieve the congestion. Note the tariff language suggests one can export AS and even suggests that counter-flow credit will be provided: "imports compete for use of intertie transmission capacity when the requested use is in the same direction, e.g., imports of Ancillary Services compete with Energy on interties in the import direction and exports of Ancillary Services (i.e., on demand obligations) compete with Energy on interties in the export direction." BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	<p>First, the phrase “congestion in the opposite direction” is not referring to congestion caused by exports of AS, it is just referring to congestion in the export direction. The point that is being made is that AS capacity in the inbound direction doesn’t qualify for a congestion counter-flow benefit (to congestion in the export direction) because it is a capacity product and may not be dispatched.</p> <p>Second, the tariff does not suggest one can bid to export AS.</p> <p>In fact, § 8.3.2 says “. . . When bidding to supply Ancillary Services in the IFM, HASP or RTM, imports compete for use of intertie transmission capacity when the requested use is in the same direction, e.g., imports of Ancillary Services compete with Energy on interties in the import direction and exports of Ancillary Services (i.e., on demand obligations) compete with Energy on interties in the export direction. To the extent there is Congestion, imports of Ancillary Services will pay Congestion costs in the IFM, HASP and RTM markets.”</p> <p>To the extent the BPM does ever mention “exports of Ancillary Services” (and it doesn’t do so in the text being commented on) it should be explicit that what is being referred to is an “on demand” obligation to another control area. See also § 8.4.7.2 “. . . There is no provision for exports with regard to Ancillary Services Bids.</p> <p>The functionality necessary to accept such Bids does not exist in the CAISO scheduling software.</p> <p>To the extent a Scheduling Coordinator has on-demand obligation to serve loads outside the control area, it can do so provided that (1) it is using export transmission capacity available in Real-Time, (2) the resource capacity providing Energy to satisfy on-demand obligation is not under an RMR or Resource Adequacy obligation, and has not been paid a RUC availability payment for the Trading Hour.</p> <p>See also § 33.8. These 15-minute Shadow Prices are then used to derive an</p>

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
		<p>average hourly price for charging Hourly Intertie AS Award providers for Congestion on the interties.</p> <p>BPM at section 4.5 says "ETC export of on-demand obligations of AS are manually supported but cannot be procured from the DAM or RTM." It isn't limited to "ETCs", it is any export or on-demand obligation. Word "ETC" in the sentence will be deleted in subsequent version of BPM.</p>
WPTF	Note, this is not a sequential procurement process. HASP is performed 75 minutes before each hour, during which Bids from both: System Resources and Internal resources are optimized The distinction between AS Awards on System Resources and internal resources in HASP and RTUC is that with System Resources, the AS Awards are issued 45 minutes before the Operating Hour and are constant for the entire hour. AS Awards for internal resources and Dynamic System Resources are HASP." HASP timeframes don't match and there is no mention of the treatment of Dynamic System only considered binding the first 15-minute interval of each RTUC run including the RTUC run supporting Resources. This needs to be resolved and reflected in tariff.	BPM looks to be consistent with the Tariff
WPTF	BPM section is clear that exports are not allowed. Tariff provision suggests it might be. Tariff states imports compete for use of intertie transmission capacity when the requested use is in the same direction, e.g., imports of Ancillary Services compete with Energy on interties in the import direction and exports of Ancillary Services (i.e., on demand obligations) compete with Energy on interties in the export direction. BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	<p>BPM reads as follows:</p> <p>4.5 Ancillary Services Considerations</p> <p>This section identifies important considerations in the use and procurement of Ancillary Services, including:</p> <p>* * * *</p> <p>-AS exports are not supported in the CAISO Markets</p> <p>-ETC export of on-demand obligations of AS are manually supported but cannot be procured from the DAM or RTM.</p> <p>Suggest the following edits to the BPM:</p> <p>-Bids to export AS exports are not supported in the CAISO Markets (See § 8.4.7.2)</p> <p>-ETC Export of on-demand obligations of AS are manually supported but cannot be procured from the DAM or RTM.</p>
WPTF	Only can be dispatched in the event the CAISO runs out of that all Imbalance Energy Bids have been exhausted and Demand cannot be	Detail is already provided in Section 34.10. No further detail needed in the tariff on this topic.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	cleared without violating security constraints. This action is performed by RTED, subject to CAISO Operator approval. The Energy behind Contingency-Only AS bids is dispatched before relaxing security constraints. These BPM details need to be included in tariff.	
WPTF	Tariff section 8.3.4 states: "Regulation limited to capacity associated the Regulation capacity offered must not exceed the maximum ramp rate (MW/minute) of that Unit times a value within a range from a minimum of ten minutes to a maximum of thirty minutes, which value shall be specified by the CAISO and published on the CAISO's Website; However the BPM discussion about Regulation is limited to 10-minute ramp capability. This needs to be resolved and reflected in tariff.	<p>Each generating unit and system unit that submits a bid regulation or self provides regulation must be certified and tested by CAISO using the process defined in Part A of Appendix K... Part A provides that the maximum amount of Regulation to be offered must be reached within a period that may range from minimum of 10 minutes to a maximum of 30 minutes, as such period may be specified by the CAISO and published on the CAISO's Website.</p> <p>Generating Units with Automatic Generation control capability may be certified for Regulation Up and Regulation Down. Their maximum Regulation Up and Regulation Down capacity is limited to their widest Regulation range, or their 10-minute Ramping capability with their best Regulation Ramp Rate, whichever is lower. No additional detail needed in Tariff.</p>
WPTF	Resource-specific System Resources may also be certified for Regulation Up and Regulation Down. Such units must have AGC and dynamic interchange capability to provide Regulation. Down. Such units must have AGC and dynamic interchange capability to provide Regulation. Participating Generators that are pseudo-ties may also be certified for Regulation Up and Regulation Down. It must have AGC and dynamic interchange capability to provide regulation. This does not appear in regulation requirements 8.4.1.1. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	<p>The last sentence of § 4.6.1 of the BPM reads as follows: Participating Generators that are pseudo-ties may also be certified for Regulation Up and Regulation Down. It must have AGC and dynamic interchange capability to provide Regulation.</p> <p>Whether it is a single generating unit; a resource-specific System Resource; or a Psuedo Tie (i.e., a unit or a set of units considered part of the CAISO Control Area) that is a Participating Generator, the requirements are the same and the requirements are in the tariff. Removed the sentence from the BPM.</p>
WPTF	Dispatchable Generating Units may be certified for Spinning Reserve if they can respond to five-minute Dispatch Instructions... Their maximum Spinning Reserve capacity is limited to their operating range from Minimum Load to maximum capacity, or their 10-minute Ramping capability with their best Operational Ramp Rate, whichever is lower. System Resources may be certified for Spinning Reserve if they can respond to five-minute Dispatch Instructions and can sustain Energy delivery associated with a Spinning Reserve Award for at least	The CAISO continues to evaluate this request.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	two hours. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	
WPTF	<p>Generating Units may be certified for Non-Spinning Reserve if they can respond to five-minute Dispatch Instructions... The maximum Non-Spinning Reserve capacity for Fast Start Units that can start and synchronize with the grid within 10 minutes are limited to the output level they can reach from offline status in 10 minutes, or their 10-minute Ramping capability with their best Operational Ramp Rate, whichever is higher, but not greater than their maximum capacity.</p> <p>The maximum Non-Spinning Reserve capacity for other resources that cannot start and synchronize with the grid within 10 minutes are limited to their operating range from Minimum Load to maximum capacity, or their 10-minute Ramping capability with their best Operational Ramp Rate, whichever is lower. In the IFM, Non-Spinning Reserve can be procured from all on-line resources (whether self-committed or committed in the IFM) and from offline Fast Start Units. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.</p>	The CAISO continues to evaluate this request.
WPTF	"... can respond to five-minute Dispatch." BPM detail regarding responding to five-minute dispatch could not be located in February tariff and it warrants inclusion in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	"If a System Resource must be associated with certain ETC/TOR to be hedged from congestion, it is the responsibility of the TO to identify all possible sources eligible to utilize the ETC/TOR. The BPM for Market Instruments describes the scheduling process in more detail." BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	The responsibilities to identify the eligible sources and sinks for are described in Section 16.4 of the tariff. Specifically, section 16.4.5 was supplemented with additional detail and clarity in the March 9, 2007 filing with FERC Docket ER07-613,
WPTF	Section 5.1.6: should be updated to reflect the terminology or specificity that is contained in the CAISO's 2/15 TRTC Implementation Guidelines. There needs to be an effort to make the MRTU Tariff (Sections 16 and 17), Section 5 of the Market Operations BPM, and the TRTC Implementation Guidelines internally consistent. For instance, Section 5.1.6 of the Market Operations BPM, "Transmission Rights and Curtailment Instructions', states that it is	This section of the BPM will be clarified in subsequent releases of the BPM.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	based on MRTU Tariff Section 16.4.1, which deals explicitly with ETCs, not TORs.	
WPTF	ETC impacts on ATC. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	Detail on ATC calculation will be supplemented in the tariff and BPM per requirements in FERC Order No. 890
WPTF	The determination of internal Branch Group Transmission Interface Limits used by the market software disregards TORs. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	This section of the BPM will be clarified in subsequent releases of the BPM.
WPTF	Approval of an outage request is based on an engineering analysis of the effects on reliability of the outage. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	Removed the line from the BPM. Tariff Sections 9.3.6.4A and 9.3.6.6, 9.3.6.7 and 9.3.6.8 articulate the standard that CAISO must make a reasonable determination as to whether the requested outage is likely to have a detrimental effect on the efficient and reliable use operation of the grid.
WPTF	If outage results in a more restrictive range in supplying Energy and providing Ancillary Services, the more restrictive range is used in market applications in performing scheduling. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	Tariff Section 30.10 (f) states that “outages that effect the operational ramp rate must be due to physical constraints, reported in SLIC and are subject to CAISO approval. All approved changes to the operational ramp rate will be used in determination of Dispatch Instructions for the shorter period of the balance of the Trading Day or duration of reported outage.”
WPTF	Actions taken will vary depending on the cause of failure, expected time of resolution, and the status of the submitted Bids at the point of failure. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	Additional tariff language will be proposed on this subject. The CAISO continues to evaluate this request.
WPTF	The CAISO Operator pre-specifies certain RMR requirements because certain RMR resources are needed for reasons that cannot be determined automatically by SCUC, such as Voltage Support, and certain RMR resources are saved for later use due to reasons that cannot be modeled accurately by the SCUC, such as usage limit. Reliability processes are further detailed in the BPM for Reliability Requirements. The tariff states "The RRD process determines RMR requirements for RMR Units." BPM and Tariff language needs to be consistent; need to reconcile and reflect in tariff.	The tariff and BPM are not inconsistent. The RMR Contract allows the CAISO to dispatch RMR Units for local reliability. Section 41.5.1 of the MRTU Tariff indicates that RMR dispatches will be determined in accordance with the RMR Contract, the MPM-RRD process and through manual RMR Dispatch Notices. Since the FNM does not model all local reliability requirements, such as the need for Voltage Support, the CAISO will issue manual RMR Dispatch Notices for this local reliability need. No further tariff changes are necessary.
PG&E	States that units are ineligible for Bid Adder if they are subject to an obligation to make capacity available under CAISO Tariff, while the intention is correct (i.e., non RCST units should get bid adder), this is	CAISO will modify this section as necessary if/as RCST-like procedures move into post-MRTU timeframe

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	probably too sweeping. It is possible that blanket obligations such as the FERC MOO may continue under MRTU and these would be reflected in CAISO Tariff - these units, with obligation to the CAISO, should be eligible for the bid adder.	
WPTF	This does not match tariff list. Many elements are described differently, some elements are shown in addition to Tariff items. BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	3) positive Demand adjustments to CFCD for forecasted net reductions in self-scheduled supply (forecast reductions in Self-Scheduled Generation and imports) expected to be submitted in the Real-Time Market, 4) AS procurement deficiency and 5) CAISO Operator input. Criteria 1 through 4 describe the primary conditions under which the CAISO may change RUC procurement. However, as Control Area Operator, the CAISO reserves the flexibility to adjust RUC procurement to address unforeseen circumstances that could affect reliability. The tariff 6.7.2.4.1d Does not have the full list of target elements that the BPM does. This needs to be resolved and reflected in tariff.	Additional tariff language regarding RUC Procurement Target was added in November 20 Compliance Filing. See section 31.5.3.1 to 31.5.3.6. No further language needed.
WPTF	There are two different categories of Demand Response: 1) Demand Response that is triggered by a staged emergency event and 2) Demand Response that is triggered by price or some other event that is known in advance. Only the Demand Response that is in category 2, that is certain of being curtailed, can be counted on as an adjustment to the RUC Procurement Target. IF an SC informs CAISO prior to 1000 hours on the day prior to the Trading Day that Demand Response for the Trading Day is going to be exercised by SC, then the CFCD is reduced accordingly when running RUC. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	Additional tariff language regarding RUC Procurement Target was added in November 20 Compliance Filing. See section 31.5.3.1 to 31.5.3.6. No further language needed.
WPTF	If the CAISO Operator determines it must modify or reject adjustments, the CAISO Operator logs sufficient information as to reason, Operating Hour, and specific modification(s) made to the calculated adjustments. Furthermore, such CAISO Operator adjustments are reviewed and approved by the CAISO Shift-	Additional tariff language regarding RUC Procurement Target was added in November 20 Compliance Filing. See section 31.5.3.1 to 31.5.3.6. No further language needed

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
	Supervisor. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	
WPTF	If a resource does not have a RA obligation, the RUC Bid that the resource submits is interpreted as an incremental amount of capacity that the resource is willing to provide for RUC in addition to its DA Energy Schedule. This does not make a lot of sense given that the SC won't know what their DA energy schedule is prior to bidding for RUC. This needs to be resolved and reflected in tariff.	The statement simply states that the RUC Bid is interpreted as incremental capacity above the amounts scheduled in the Day-Ahead Schedule and not that it is to be submitted to be an incremental amount. Not clear what the question is asking.
WPTF	"Therefore, the SIBR software automatically inserts a \$0/MW RUC Bid for the entire RA Capacity regardless of the price value provided; a RA resource only needs to submit a RUC Bid for the non-RA Capacity. In other words, a RUC Bid submitted by a RA resource is interpreted as a RUC Bid for the non-RA Capacity in addition to the \$0/MW RUC Bid for the RA Capacity." This language makes it confusing as to whether it's simply okay to not submit an Availability bid for the RA portion. BPM and Tariff language details need to be clarified and reflected in the tariff. Tariff states "The RUC Availability Bid for the RA Capacity submitted by a Scheduling Coordinator must be \$0/MW per hour for the entire RA insert the \$0/MW per hour for the full amount of RA Capacity for a given resource."	The RA RUC Obligation does not need to be submitted at all for a full-time RA resource. SIBR will insert automatically the RA RUC Obligation equal to the registered RA Capacity. The SC in this case only needs to submit the RUC Bid for any non-RA capacity. For resources that are not full-time RA resources, SCs do need to submit their RA RUC Obligation in addition to any non-RA RUC they would like to bid to SIBR. SIBR will not automatically insert the RA RUC Obligation for partial RA Resources. When submitting the RA RUC Obligation it is a separate value from the RUC Bid (non-RA) and there is no option to include a price.
WPTF	Seems additional to operator adjustment to CFCD constraints described in 6.7.2.4.7 and discussion of this additional constraint cannot be found in the tariff.	Additional detail on this process was added to the tariff in the November 20 Compliance filing. See section 31.5.3 of the tariff and its subsections.
WPTF	The Short Start Unit capacity percentage limit is set to 100% by default. However, CAISO Operators may set this parameter low as 75% in order to limit the reliance on Short Start Units. Operational factors that are considered in setting the Short Start Unit constraint parameter are: Historical confidence that a Short Start Unit will actually start when needed. Short Start Unit performance is assessed based on operational experience among the CAISO's operators, collectively for all Short Start Resources. Conserve number of run-hours and number of starts per year for critical loading periods. Seasonal constraints such as Overgeneration 2424. Over-generation tends to occur during off-peak hours, when the level of RUC procurement is low. This factor,	Section 31.5.4 already specifies that the CAISO can limit the amount of RUC Capacity it will procure from resources that could otherwise be started during the Operating Day and that the CAISO will verify that the total Day-Ahead Schedules and RUC Capacity from such resources is not greater than a configurable percentage of the total available capacity of all such resources. The additional equation in section 6.7.2.8.3 of the BPM need not be imported into the tariff as it does not add any additional requirements or limitations on the CAISO's ability to limit its RUC procurement ability.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	therefore, should have only a small impact on Short Start Unit procurement. Tariff 6.7.2.8.3 states "The CAISO can limit the amount of RUC Capacity it will procure from resources that could otherwise be started during the Operating Day. The CAISO will verify that the total Day-Ahead Schedules and RUC Capacity from such resources is not greater than a configurable percentage of the total available capacity of all such resources." BPM terms and conditions are important and should be included in tariff.	
WPTF	CAISO only issues RUC Awards to resources that must be started in DAM in order to be available to meet Real-Time Demand. This is inconsistent with Tariff 3.1.5.6, Eligibility for RUC Compensation, and Appendix A RUC Capacity. BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	Any inconsistency in the BPM will be clarified per the Tariff.
WPTF	This is a very involved section that discusses how ISO generates bids for ELC units, and that those bids are binding and cannot be changed. It seems treatment of ELC units - their bids and their settlement impacts - This needs to be included in the tariff at a minimum. Also is mentioned that 2nd day CFCD may be adjusted by RUC zone; that requires more info and should be included in the tariff. Tariff 6.8 states: The CAISO will also utilize the SCUC algorithm on a two-day-ahead basis to commit Extremely Long Start Resources, for which commitment in the DAM does not provide sufficient time to start-up and be available to supply Energy during the next Trading Day.	Detail was added to Section 31.7 in the CAISO's November 20 Compliance filing. No further detail in the tariff necessary.
WPTF	It is the responsibility of SCs to respond to CAISO published Schedules and Awards in a timely manner. Upon publication of Schedules and Awards, SCs are advised to review the Schedules and Awards to understand what to expect from ADS. However, they are not required to do anything specific before receiving Dispatch instructions through ADS. [ambiguous. What is the requirement actually given the first two sentences and then the last? Do the first two sentences contain any requirement incremental to the third? If so what is it and where is it's tariff analog? This needs to be resolved and reflected in the tariff.	This will be clarified in subsequent releases of the BPM.
WPTF	"It is the responsibility of SCs to respond to CAISO published Schedules and Awards in a timely manner. Upon publication of	Detail was added to Section 4.5.3.11 & 4.5.3.12 of proposed tariff changes as posted.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
	Schedules and Awards, SCs are advised to review the Schedules and Awards to understand what to expect from ADS. However, they are not required to do anything specific before receiving Dispatch instructions through ADS." This is ambiguous. What is the requirement actually given the first two sentences and then the last? Do the first two sentences contain any requirement incremental to the third? If so what is it and where is it's tariff analog?	
WPTF	"TBD: These breakdowns are associated with their corresponding Dispatch Instructions. Similar functionality exists in the ADS. Changes are limited to CAISO Operator changes. RTSS and ML are not published from RTM. The TBD reflects the residual MW from the total. In other words, the TBD MW always displays the total MW minus the sum of SCHD, HASE, MSS, RMPS, SUPP, SPIN, and NSPN." Footnote 25 TBD is displayed because the actual calculated energy (residual energy) is determined after the fact based of telemetry data in Real-time. If this TBD is used for anything then it needs to be addressed in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	Compliance data are received along with five-minute DOT data. Compliance data are used to fill in the area under the DOP trajectory curve. Source data comes from RTM and determines the participating status of the resources. The Compliance Flag is set to Y or N after the relevant performance tests (RTM"). What is this test and where is it described?" This flag indicates whether the unit is eligible to set the MCP based on compliance with previous dispatches. The compliance flag is used to determine if the data is compliance data versus DOT and to determine if the unit is in compliance or out of compliance." These details need to be in the tariff.	Section 34.19.2. 3 of the MRTU Tariff covers the material in Section 7.2.3.9 of the BPM for MO.
WPTF	CAISO is committed to honoring Energy Limit constraints unless doing so would violate reliability of the grid. If and when the Energy Limit constraint is violated, the Resource is eligible to set the LMP. If the Energy Limit is violated as a result of an Exceptional Dispatch associated with a reliability condition, CAISO compensates such a resource based on its Bid. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	Additional detail was added to Section 34.15.1 in proposed tariff as posted.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
WPTF	To the extent a resource is committed for a Trading Day and as result of the resource's Minimum Run Time constraints is required to be online the subsequent Trading Day, the resource's commitment status is honored the next Trading Day. However, in such cases the resource may be limited from either modifying its Bid or recovering a Bid greater than its Bid that was used for commitment decisions on the first Trading Day. [definitely have not seen the limitation that bids cannot be changed in conjunction with a min run time constraint across the days.] BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	Energy Limits are enforced in the RTM applications as soft constraints, i.e., with lower penalty costs than other constraints, such as network constraints and Exceptional Dispatches. Exceptional Dispatches, in particular, and also Outages and derates may result in Energy Limit violations. CAISO is committed to honoring Energy Limit constraints unless doing so would violate reliability of the grid. If and when the Energy Limit constraint is violated, the LMP reflects that constrained condition. If the Energy Limit is violated as a result of an Exceptional Dispatch associated with a reliability condition, CAISO compensates such a resource based on its Bid. It appears these two contradict, given that in the first the ISO says it will violate these before a network constraint even though the network constraint may pose no reliability implication. These subtleties affect the treatment of energy limited resources and need to be spelled out in the tariff. BPM and Tariff language need to reconcile and reflect in tariff.	Additional detail was added to Section 34.15.1 in proposed tariff as posted.
WPTF	"The methodology assures a feasible outcome, but only when Dispatch Instructions are followed accurately, and neither AGC actions, contingencies nor Exceptional Dispatches cause Energy Limit violations, since the formulation involves only Instructed Imbalance Energy" Tariff needs to indicate that energy limits are not protected against Exceptional dispatches and AGC.	Additional detail was added to Section 34.15.1 in proposed tariff as posted.
WPTF	BPM states "resources should ramp across hours as fast as possible between 20 and 60 minutes". Tariff 7.5.1 does not mention "should ramp across hours as fast as possible" This needs to be resolved and	BPM will be made to be consistent with MRTU Tariff § 34.16.5 (see below). The statement "as fast as possible is there" should be removed from BPM. § 34.16.5: "Dispatch Instructions shall be issued for each Dispatch Interval as

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
	reflected in tariff.	needed to prescribe the ramp between a resource's accepted HASP Bid in one Trading Hour to its accepted HASP Bid in the immediately succeeding Operating Hour. Such Dispatch Instructions shall be based on the lesser of: (1) the applicable Operational Ramp Rate as provided for in Section 30.10 and (2) the ramp rate associated with the Standard Ramp. The Dispatch Instructions for ramping of Generating Units without Real-Time Energy Bids in both Operating Hours shall ramp the resource between hourly schedules symmetrically across hourly boundaries in 20 to 60 minutes assuming congestion can be resolve utilizing Economic Bids. The minimum 20-minute ramp is required for smooth hourly schedule changes and is consistent with inter-tie scheduling agreements between Control Areas. Resources with slower ramp rates would have longer ramps, and at the extreme, would ramp from the middle of an hour to the Middle of the next hour. Energy resulting from the Standard Ramp shall be deemed Standard Ramping Energy and will be settled in accordance with Appendix N, Part D-1, Section 2.1.2. Energy resulting from any ramp extending beyond the Standard Ramp will be deemed Ramping Energy Deviation and will be settled in accordance with Appendix N, Part D-1, Section 2.1.2."
WPTF	Resources are expected to ramp at their maximum Ramp Rate (i.e., the Operational Ramp Rate, submitted with the Bid). This is ambiguous as the tariff distinguishes between the operational ramp rate submitted and the maximum ramp rate on file. Tariff 7.5.1 states "If a Scheduling Coordinator does not submit an operational ramp rate for a generating unit for a day, the CAISO shall use the maximum ramp rate for each operating range set forth in the Master File as the ramp rate for that unit for that same operating range for the Trading Day." This needs to be resolved and reflected in tariff.	BPM will use language from the relevant tariff sections in subsequent version. See (A) second sentence of § 34.16.5: "Such Dispatch Instructions shall be based on the lesser of: (1) the applicable Operational Ramp Rate as provided for in Section 30.10 and (2) the ramp rate associated with the Standard Ramp"; and (B) § 30.10(c): " If a Scheduling Coordinator does not submit an operational ramp rate for a generating unit for a day, the CAISO shall use the maximum ramp rate for each operating range set forth in the Master File as the ramp rate for that unit for that same operating range for the Trading Day."
WPTF	Rules applied to Ramping Energy when Exceptional Dispatch occurs. Details need to be in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	Constraint classes included in BPM are different from schedule priorities referenced in the footnote 28 tariff sections, and constraints such as the "power balance constraint" are not otherwise referenced in the tariff. Priorities may affect the relative order of dispatch and thus the settlement of resources. BPM referenced tariff section does not	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	cover same material, and info covered in BPM cannot be located in February tariff. It warrants inclusion in the tariff.	
WPTF	Constraint classes included in BPM are different from schedule priorities referenced in the footnote 28 tariff sections, and constraints such as the "power balance constraint" are not otherwise referenced in the tariff. Priorities may affect the relative order of dispatch and thus the settlement of resources. BPM referenced tariff section does not cover same material, and info covered in BPM cannot be located in February tariff. It warrants inclusion in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	SCs may submit Self-Schedules for Supply of Energy to HASP. SCs may not submit Self-Schedules for CAISO Demand or for exports to HASP [outdated}, except for exports that utilize TORs and ETC rights that have post-Day-Ahead scheduling rights, and except for Self-Schedules for Wheeling Through. This is outdated per ISO's compliance filing. BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	The BPM will be conformed to what is in the tariff.
WPTF	The RTUC run also produces 15-minute Shadow Prices for each of the Scheduling Points for the four 15-minute intervals for the applicable Trading Hour. [published?] 33.8 reflects this provision but it is not characterized as a "HASP Output" as it is in the BPM. Will these results be published? If so, it needs to be included in tariff, as this transparency is an important and necessary characteristic of the market.	Transmission congestion shadow prices for Scheduling Points for the four 15-minute binding HASP intervals are used to derive an average hourly price, which is published to OASIS. The individual 15- minute shadow prices are not published to OASIS.
WPTF	"All Ancillary Services Schedules are firm." This conflicts with other sections of the BPM and also conflicts with the Tariff. See for example, 3.6. The tariff states: "the CAISO publishes the binding HASP Intertie Schedules and HASP AS Awards for System Resources," BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	The BPM will be conformed to what is in the tariff.
WPTF	Therefore, the entire timeline for the RTM (including Bid submission and validation, and all related applications such as ADS) are shifted 2.5 minutes earlier. The timeline for RTUC is shifted 7.5 minutes earlier. If this affects ramping energy, instructed and uninstructed energy and penalties this needs to be spelled out in the tariff. BPM detail could not be located in February tariff 7.6.1.1 and it warrants	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	inclusion in the tariff.	
WPTF	For purposes of the Real-Time AS procurement, all must-offer RA resources are deemed available to CAISO. Real-Time procurement and pricing of Spinning and Non-Spinning Reserve is performed using dynamic co-optimization of Energy and Spinning and Non-Spinning Reserve, but with zero capacity cost. If the RA does not submit an AS Bid, similar to any Resource that submits Imbalance Energy Bids, the CAISO inserts a \$0 AS Bid on their behalf. Can't find, including mention of zero capacity cost Also cannot find "cooptimization" in tariff, and that is both ambiguous in BPM and important to market clearing outcomes. Unable to locate mention of zero capacity cost and "cooptimization" in tariff 7.6.1.2. The details are ambiguous in BPM, however they are important to market clearing outcomes. This needs to be resolved and reflected in tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	Real-Time AS requirements are calculated within RTM based on system/regional requirements (MW requirements) that are provided as input, or received from the EMS. [it is unclear what the implications of EMS providing the system/regional needs means relative to the tariff description of how the ISO sets regional needs. This affects the clearing prices and payments of AS and thereby should be specified in the tariff. Unable to locate mention of zero capacity cost and "cooptimization" in tariff 7.6.1.2. The details are ambiguous in BPM, however they are important to market clearing outcomes. This needs to be resolved and reflected in tariff.	The March 20, 2007 compliance filing resolved this as it provides more tariff explanation of regional AS requirements.
WPTF	CAISO compensates providers (both previously committed and uncommitted) of Real-Time AS for the resources' unit-specific opportunity cost (Real-Time LMP – resources submitted (or proxy) Energy Bid). This suggests that there is no capacity value for RT Spin and Non-spin. What does this mean for regulation compensation; it is ambiguous? The BPM suggests that there is no capacity value for ASs, though it is confusing because it says it will submit a capacity bid of zero if one was not submitted - suggesting that a non-zero submitted bid is not treated as zero. Unable to locate any description of compensation other than in section 11 of tariff related to bid cost	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	recovery that references RTM AS Award - as if there is one. These BPM details need to be included in tariff.	
WPTF	"The available Operating Reserve calculation is performed on all resources that have capacity covered by Bids (whether submitted or inserted) regardless of whether Ancillary Services have been Awarded and regardless of the resource's on-line status." What are the implications of this? Please clarify herein and consider for inclusion in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	The entire Dispatch Interval is used for Ramping, resources must ramp across hours as fast as possible between 20 and 60 minutes The term "as fast as possible" was not found in the tariff 7.6.2.2. What does it mean for compliance? These BPM details need to be included in tariff.	§ 34.16.5: "Dispatch Instructions shall be issued for each Dispatch Interval as needed to prescribe the ramp between a resource's accepted HASP Bid in one Trading Hour to its accepted HASP Bid in the immediately succeeding Operating Hour. Such Dispatch Instructions shall be based on the lesser of: (1) the applicable Operational Ramp Rate as provided for in Section 30.10 and (2) the ramp rate associated with the Standard Ramp. The Dispatch Instructions for ramping of Generating Units without Real-Time Energy Bids in both Operating Hours shall ramp the resource between hourly schedules symmetrically across hourly boundaries in 20 to 60 minutes assuming congestion can be resolve utilizing Economic Bids. The minimum 20-minute ramp is required for smooth hourly schedule changes and is consistent with inter-tie scheduling agreements between Control Areas. Resources with slower ramp rates would have longer ramps, and at the extreme, would ramp from the middle of an hour to the middle of the next hour. Energy resulting from the Standard Ramp shall be deemed Standard Ramping Energy and will be settled in accordance with Appendix N, Part D-1, Section 2.1.2.
WPTF	The available Operating Reserve calculation is performed on all resources that have capacity covered by Bids (whether submitted or inserted) regardless of whether Ancillary Services have been Awarded and regardless of the resource's on-line status. What are the implications of this? If it has settlements impacts it needs to be in the tariff. BPM detail could not be located in February tariff 7.6.2.2 and it warrants inclusion in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	Use the regulating Ramp Rate in the hourly Schedule change constraint if the unit provides Regulation in any of the two consecutive hours, otherwise use the Operational Ramp Rate. SIBR validates that the	(A) the BPM will provide more context by incorporating the applicable MRTU Tariff language (see below) and (B) will clarify why CAISO is modeling anything w/r/t AS Bids. The MRTU Tariff provides: "(c)

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
	regulating Ramp Rate does not exceed any of the Operational Ramp Rates. [Does this have implications for ramping energy payments, uninstructed energy or any penalties? How will the SC know which ramp rate is being used? If there are any settlements or compliance implications this needs to be in the tariff and needs to be clearer. BPM detail could not be located in February tariff 7.6.2.2 and it warrants inclusion in the tariff.	Operational Ramp Rates and Start-Up times. The submitted Operational Ramp Rate for resources that are not providing Regulation, and the submitted Regulation Ramp Rate for resources that are providing Regulation shall be used for all Dispatch Instructions." MRTU Tariff § 34.15.1(c). Section 34.15.1 (a) provides that: "(a) Minimum and maximum operating resource limits. Outages and limitations due to transmission clearances shall be reflected in these limits. The more restrictive operating or regulating limit shall be used for resources providing Regulation so that the SCED shall not Dispatch them outside their regulating range."
WPTF	Where the time period is 15-minute instead of one hour, SCUC limits 15-minute Dispatch for resources providing AS to a five-minute cross-interval ramp (in either direction for Regulation, and upward for Operating Reserves). In the RTM, dynamic Ramp Rate modeling does not raise concerns since the 5/15-minute ramp model applies to a small number of resources, namely resources with AS Bids, but no AS Awards.. Does this have implications for ramping energy payments, uninstructed energy or any penalties? How will the SC know which ramp rate is being used? If there are any settlements or compliance implications this needs to be in the tariff and needs to be clear. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	(A) the BPM will provide more context by incorporating the applicable MRTU Tariff language (see below) and (B) will clarify why CAISO is modeling anything w/r/t AS Bids. The MRTU Tariff provides: "(c) Operational Ramp Rates and Start-Up times. The submitted Operational Ramp Rate for resources that are not providing Regulation, and the submitted Regulation Ramp Rate for resources that are providing Regulation shall be used for all Dispatch Instructions." MRTU Tariff § 34.15.1(c). Section 34.15.1 (a) provides that: "(a) Minimum and maximum operating resource limits. Outages and limitations due to transmission clearances shall be reflected in these limits. The more restrictive operating or regulating limit shall be used for resources providing Regulation so that the SCED shall not Dispatch them outside their regulating range."
WPTF	The Time Horizon (see Exhibit 7-1) for the STUC optimization run extends three hours beyond the Trading Hour for which the RTUC optimization was run, and replicates [even if other bids have been submitted by the SC?] the Bids used in that Trading Hour for these additional hours. CAISO revises these replicated Bids each time the hourly STUC is run, to utilize the most recently submitted Bids. A Start-Up Instruction produced by STUC is considered binding if the resource could not achieve the target Start-Up Time as determined in the current STUC run in a subsequent RTUC or STUC run as a result of the Start-Up Time of the resource. A Start-Up Instruction produced by STUC is considered advisory if it is not binding, such that the resource could achieve its target Start-Up Time as determined in the current RTUC run in a subsequent STUC or RTUC run based on its	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	Start-Up Time. A Start-Up Instruction produced by STUC that results in a change in Commitment Status is issued, in accordance with Section 6.3 of the CAISO Tariff, after review and acceptance of the Start-Up Instruction by the CAISO Operator. Drivers that affect commitment need to be in tariff as does what is binding and what is not binding and how an SC will know. Find no mention of what bids were used, the replication process, the updating process, binding nonbinding, etc. BPM, details, terms and conditions are important and should be included in tariff. Any differences need to be resolved and reflected in tariff.	
WPTF	STUC does not produce prices for Settlement. The STUC process only commits units needed for meeting Real Time imbalances. To the extent a unit is committed via STUC, a Start-Up instruction is provided to that resource (via ADS). Whether or not the resource is eligible for Start Up and Minimum Load and Bid Cost Recovery is determined through a series of calculations, beginning with the Start Up & Minimum Load Cost Pre-calculation and the Tolerance Band & Eligibility Pre-calculation, described in the BPM for Settlement and Billing, Section 12. STUC does not produce prices for Settlement. Settlement implications of STUC are not clear in tariff. This needs to be resolved and reflected in tariff	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	Generated by STUC are sent to ADS when they are issued. These instructions are reported and updated when they are issued. It is possible that there are more than one non-conflicting Exceptional Dispatches for the same time period. The ADS is able to display those instructions. Exceptional Dispatches are generated in order to commit/de-commit Generation for System Reliability reasons. This makes it sound as if STUC and not operator action results in Exceptional Dispatches. This is not clear in the tariff. The tariff should clearly identify what causes an Exceptional dispatch and why. If STUC causes an Exceptional Dispatch this should be explained in the tariff. Tariff 7.7.3 states "Dispatch Instructions issued pursuant to Exceptional Dispatches shall be entered manually by the Operator into the RTM optimization software so that they will be accounted for and included in the communication of Dispatch Instructions to Scheduling	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	Coordinators."	
WPTF	Uninstructed Deviations prompt the response of AGC to balance the system creating Uninstructed Imbalance Energy that are met through instructed deviations calculated optimally by the RTED. BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff. The concept in the tariff is that AGC energy is Uninstructed Energy. Isn't this circular?	The BPM will be clarified to be consistent with the tariff.
WPTF	The time delay in RTM is the same duration as the time interval so that the Dispatch times coincide with previous DOTs. This Dispatch approach does not reflect the switch to a symmetrical cross-interval Ramping because it has no material impact. With symmetrical cross-interval Ramping, the DOT is calculated for the middle of each Dispatch Interval, and the entire RTED timeline is shifted 2.5 seconds earlier, whereas the HASP/RTED/RTUC timeline is shifted 7.5 seconds earlier. This and its settlement implications are unclear and it needs to be covered generally in the tariff. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	With this calculation, dispatched resources are expected to follow Dispatch Instructions Ramping symmetrically across each Dispatch Interval boundary. The tariff discusses ramping but refers to appendix N and appendix N says that it will be removed. BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	References to Appendix N are incorrect and should refer to Section 11.5.1 of the tariff.
WPTF	Formula that allocates ramp between regulation and energy dispatch. BPM detail could not be located in February tariff and it warrants inclusion in the tariff; however, it does state "The Dispatch Instruction shall consider the relevant Start-Up time as, if the resource is off-line, the relevant Ramp Rate function" but nothing that describes the effective ramp rate as provided in the BPM. To the extent this affects the split between instructed or uninstructed energy settlements it should be further described in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	In this case [contingency event] the price implication is such that in the pricing run, the reserve portion price is replaced with the Energy Bid Price cap. The LMP may increase to reflect that situation. This language is ambiguous and does not seem to match the tariff about	The BPM will be clarified consistent with the tariff.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
	pricing. This needs to be resolved and reflected in tariff.	
WPTF	ISO processes for LMP price verification, suspension and post-posting correction, including timelines. BPM detail could not be located in February tariff and it warrants inclusion in the tariff.	The CAISO will supplement the BPM and will on or about August 3 file any Tariff detail required on this topic.
PG&E	Possible Need for Modification of MRTU Tariff Language Section 27 of the MRTU Tariff contains a general description of how each component of Locational Marginal Prices (LMPs) are calculated. The three components of LMP are: (1) System Marginal Energy Costs, (2) Marginal Cost of Losses and (3) the Marginal Cost of Congestion. Section 3.2 of the BPM for Market Operations contains additional detail concerning the methodology for calculation of LMPs and, in some cases, includes examples of calculations. PG&E appreciates inclusion of this additional detail. However, Section 3.2, as currently drafted, also contains language that generally describes how each component is calculated and then refers BPM users to ISO market optimization software for additional detail. For example, in Section 3.2.3, which describes the calculation of the Marginal Cost of Losses, the BPM states: "The MCL is calculated as the product of SMEC and the Marginal Loss Factor at that PNode. The MCL at a particular PNode may be positive or negative, depending on the submittedBids. The Marginal Loss Factors are derived by the market optimization software (IFM/RTM)." PG&E is concerned that this description depends on code within ISO software that is not currently transparent to market participants; therefore, market participants cannot assure that the complete methodology for calculation of LMPs is sufficiently described in MRTU Tariff language, nor whether the language in the BPMs is appropriate relative to the tariff. This may be a concern and PG&E reserves the right to submit additional comments suggesting that the MRTU Tariff be modified to include additional detail concerning the methodology for calculating each component of LMPs. In addition, PG&E believes that it may be appropriate to include in the MRTU Tariff the additional information concerning LMP calculations included in Section 3.2.	The CAISO had proposed additional detail on LMP and ML calculation as provided in proposed tariff language as posted.
WPTF	"It should be noted that certain transmission constraints (user	The CAISO is continuing to evaluate this request and is considering which

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	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	selectable) are required to be monitored only (i.e., not enforced). The monitoring is against the defined limits adjusted by certain user-defined percentage of the limit (user definable for groups of transmission equipment). The enforcement or monitoring status of a constraint is changeable by the authorized user." Tariff needs to address the relationship between this statement and the network constraints that are released as part of the network model info. That is, are all the constraints included in the network model info enforced to 100%? If not, enforcement status needs to be released as part of the network model info.	detail specifically from this section should be added to the tariff.
WPTF	"Moreover, Generating Units taking longer than a prescribed number of (currently 20 in the DAM) minutes to ramp up or down to the next hour's Energy Schedule are not able to provide Regulation (including Regulation Up and Regulation Down) for the next hour....Moreover, Generating Units taking longer than a prescribed number of (currently 20 in the DAM) minutes to ramp up to the next hour's Energy Schedule are not able to provide Operating Reserve (i.e., Spinning and Non-Spinning Reserves) for the next hour.More precisely, if generating unit Energy ramping between two successive time intervals is longer than the specified time limit (default value is 20 minutes) then the generating unit can not provide Ancillary Services at all. " BPM provision could not be found in Tariff and warrants inclusion.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	Relevance of discussion of piecewise linear ramp rate constraints is unclear, however, it should be clarified and referenced in the tariff.	The CAISO is continuing to evaluate this request and is considering which detail specifically from this section should be added to the tariff.
WPTF	Discussion references configurable "20 minute" threshold. Please clarify the general impact of having such a threshold and indicate within the tariff that such a threshold exists and how it will be determined/changed.	Additional language was added to section 34.15.1 as provided in the proposed tariff language as posted
WPTF	The relationship between these provisions are unclear relative to the detail in the settlements BPM and the tariff information. This should be clarified and incorporated into the tariff.	The algorithm will be updated in the subsequent version of BPM
WPTF	Significant more detail needs to be added to the Tariff. The tariff makes one mention of Expected Energy in Section 11.23, and the ISO's most recent definition review states that the Exceptional Energy	The CAISO will be updating this Appendix in upcoming releases of the BPM

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	MARKET OPERATIONS BPM	
Stakeholder	Stakeholder Comment	CAISO Response
	definition will be deferred: "Section 11 is being deferred to a more comprehensive set of revisions". In some manner all of the settlements details of the This appendix need to be reflected in the tariff and currently the tariff has no detail. This gap has to be closed somehow. Making this more challenging is that this appendix is barely written in complete sentences so much of it is nonsensical. Please create a narrative characterization of the settlement elements and how they relate and are incorporated and file this as part of the tariff.	
TANC	As noted in TANC's general comments, TANC submits that each section of the BPM for Market Operations that refers to a specific CAISO Tariff section must be so designated. Without such designations, it is impossible to tell which sections of the BPM for Market Operations must be moved into the CAISO Tariff because they each contain information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The CAISO continues has included tariff references where appropriate to indicate the source of tariff authority for specific BPM provisions and will continue to do so in all of its BPMs.
SCE	A/S regions – The specific geographic boundaries of the A/S for any "A/S Region" or "sub-AS Regions" must be included in the MRTU tariff before the CAISO runs and prices these markets. 4.1.1 All of this should be filed as part of the tariff. Prior to running any of these sub-regions the CAISO has an obligation to demonstrate there is sufficient competition to ensure Just and Reasonable outcomes, otherwise additional mitigation is required. The BPM states "...the AS sub-Region may include the System Resources that are interconnect to that portion of the CAISO Controlled Grid..." based on Branch Group loading. Prior to simply operating the AS market, the CAISO must test the market configuration, (e.g. test a region assuming no System Resources) and only market configuration that have been demonstrated to FERC to be competitive can be run without additional mitigation. 4.1.2 Any changes to AS regions must be submitted to and approved by FERC before the CAISO can run markets without additional mitigation. When is the CAISO going to provide detail on A/S regions in the Tariffs and BPMs?	CAISO interprets this question as a request to incorporate additional detail in the tariff on this subject. Such issues are pending legal review. It is not clear from the question what additional detail is requested in the BPM itself.

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MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
WPTF	Concern for the bullet point in section 4.2.1 beginning with the sentence "The capacity from a Submission to Self- Provide an AS that the CAISO has determined to be unqualified due to an excess quantity of Submissions to Self- Provide an AS overall, the CAISO will consider such unqualified Submissions to Self-Provide an AS as conditionally unqualified": Please explain this at the BPM meetings, as it seems to suggest that the ISO will take submitted offers for self-provision (potentially without any energy bid curves) and convert them to energy bids and somehow by doing so make more "room" for self-provided AS. If the submissions were deemed qualified, then there seems to no "room" created when the bids are converted to energy. How does the ISO value the AS and Energy in the IFM that allows the IFM to "convert". Please explain, including a discussion of how the ISO effects this process in the IFM (e.g. whether the ISO uses some proxy bid prices, or...?). These provisions also need to be in the tariff.	This was answered at the Stakeholder meeting. In pre-market qualification process you have a RA resource and a non-RA resource. You qualify a portion of RA resources and non-RA resources. If you need to un-qualify part of that conditionally qualified self-provision from an RA resource that may back off a little. Say if RA resource conditionally qualified for 100MW of self-provision but after optimization you only qualify for 80 because we need 20 MW of energy. What are we going to do with that 20MW of AS that in pre-market qualification was qualified on that resource we want to put back in ability of other resources to increase their self-provision qualification. If energy is needed then penalty price associated with breaking the constraint is lower than the penalty price associated with the conditionally qualified AS. Part of the conditionally qualified AS can be converted to energy. Please see Tariff section 8.6.2
SCE	BPM states that if the CAISO procures in a "sub-AS Region", a single largest contingency in that area could bind in that area (that is it could be greater than 7% of the load). The single largest contingency applies to the control area only. WECC/MORC don't recognize the CAISO's ad hoc "sub-AS Region". This language is not in the tariff and should be removed from the BPM. Why is the CAISO including A/S procurement practices in the BPM that are inconsistent with the CAISO Tariff?	Section 8.2.3.2 of the Tariff states that "The CAISO shall maintain minimum contingency Operating Reserve made up of Spinning Reserve and Non-Spinning Reserve in accordance with WECC MORC criteria equal to (a) 5% of the Demand to be met by Generation from hydroelectric resources (excluding the Demand covered by firm purchases from outside the CAISO Control Area) plus 7% of the Demand to be met by Generation from other resources (excluding the Demand covered by firm purchases from outside the CAISO Control Area), or (b) the single largest Contingency, if this is greater. The CAISO from time to time may determine to use more stringent criteria." (emphasis added). Procurement within an AS subregion would be considered "more stringent criteria, as allowed within Section 8.2.3.2.
WPTF	A paragraph in section 4.3.2.1 states "In RTUC, all resources certified and capable of providing Regulation that have submitted Real Time Energy bids shall also submit applicable Regulation Bids or the CAISO will consider its Regulation bid considered \$0 if not submitted. A resource with a \$0 AS bid will have its opportunity costs based on the applicable LMP and its Energy Bid considered when awarding and pricing AS in RTM": Please explain this in the BPM meeting. Why would a resource with a RTM market bid be	This statement is incorrect and will be deleted from the next version of the BPM.

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MARKET OPERATIONS BPM		
Stakeholder	Stakeholder Comment	CAISO Response
	indifferent to providing energy and providing regulation and being treated as providing uninstructed deviations? Please also clarify herein why this is reasonable. Also, that the ISO submits a \$0 bid for Reg in the RTM needs to be specified in the tariff.	
WPTF	A bullet point in section 4.5 states "Contingency Only can be dispatched in the event the CAISO runs out of Imbalance Energy Bids. This action is performed by RTED, subject to CAISO Operator approval": Please specify herein what constitutes "running out of Imbalance Energy Bids" and what prices will be set for energy and AS when this occurs. Also this needs to be in the tariff.	When all Supplemental Energy Bids have been exhausted and Demand cannot be cleared without violating security constraints, The Energy behind Contingency-Only AS bids will be dispatched before relaxing security constraints. Section 34.3 of the Tariff sets the context for Contingency-only dispatches and Section 34.2 states "RTCD mode of operation for RTD is run in response to a significant Contingency event, such that waiting until the next normal RTD run is not adequate and/or Operating Reserve identified as Contingency Only need to be activated in response to the event. The CAISO Operator may activate the Operating Reserve identified as Contingency Only either on a resource specific basis or for all such resources. When activating Contingency Only reserves in RTCD, the original Energy Bids associated with the resources providing Operating Reserve will be used for the RTCD." Thus, the CAISO will use the AS and Energy Bids associated with the Contingency-Only Bid to set prices in this scenario. In addition, MRTU Tariff section 34.8 states that "if contingency only reserves are dispatch emergency that has occurred because the CAISO has run out of economic bids when no contingency event has occurred, the contingency only reserves will be dispatched at the maximum bid price.

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COMPLIANCE MONITORING BPM

COMPLIANCE MONITORING BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
SCE	General	The document contains numerous references to existing CAISO UDP and no-pay tariffs (throughout), operating protocols (e.g., the Dynamic Scheduling Protocol), systems (e.g., current ADS call types), and terminology (e.g., “expected energy”). Many such concepts have been redefined or replaced in the MRTU business model, and other new concepts are not explicitly addressed (for example, there are no references to AS congestion). The Compliance BPM cannot be evaluated on its own merits unless all relevant rules are defined and incorporated directly, all terminology is used consistently, and all system references are coordinated. Unless rewritten to be a stand-alone document, it will be unclear exactly which sections of the existing tariff, protocols, terminology, etc. will continue to apply, preventing SCs from properly evaluating this BPM.	The BPM for Compliance Monitoring is not intended to be a stand alone document, as it references and relates to other BPMs. The CAISO has attempted in the August 1, 2007 versions of the BPM and will continue to attempt to identify and correct any references in the BPM for Compliance Monitoring that are incorrect or inconsistent with new MRTU terminology and will continue to consider incorporating more explicit references to other BPMs, the CAISO Tariff, or related documents for additional clarity.
SCE	General	The ISO Tariff states that UDP revenues are “first assigned to reduce the portion of above-LMP costs that would otherwise be assigned pro rata to all SCs”. The BPM interprets that to be “UDP revenues are stated to first be applied to the second tier of Excess Cost allocation”. The tariff is vague, but the BPM is specific. There should be an explanation of how it is concluded that Excess Cost is the one and only charge that qualifies given the Tariff language. Is Excess Cost the only charge that qualifies under the rather general language of the ISO Tariff for this treatment?	The BPM as stated is correct. The UDP revenues would be used to reduce or eliminate the second tier of excess cost allocations to Measured Demand. This concept has not changed from the current CAISO Tariff in Section 11.2.4.1.2. The excess costs above LMP for Exceptional Dispatches that are not due to transmission modeling limitations would be allocated to Net Negative Uninstructed Deviations in the first tier and to the Measured Demand in the second tier.
PG&E	4.2.3	Undelivered Capacity. Indicates that 90% of the dispatched energy must be delivered, per a Sept 2000 Market Notice. It appears such a requirement should be included in the Tariffs and not subject to just a market Notice.	The 90% requirement is subject to change and is therefore, not explicitly identified in the CAISO Tariff.
WPTF	2.2.1	“ In accordance with the definition of the term "Tolerance Band," this "PMax-like" value will be determined by an agreement between CAISO and the SC representing the Dynamic System Resource on an individual case basis, taking into account the number and size of the generating resources or the allocated portions of the generation that comprise the Dynamic System	As stated, the referenced provision is found in the definition of "Tolerance Band" in Appendix A of the CAISO Tariff. More general authority for this provision is set forth in Section 8.6 of the Dynamic Scheduling Protocol in Appendix X of the CAISO Tariff. No change to the CAISO Tariff is necessary.

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		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		Resource." [This is not found in tariff and should be in the tariff.]	
WPTF	2.2.4	"The Settlement Interval Penalty Location Real-Time LMP is calculated for each UDP Location as the 10-minute weighted average price of two 5-minute Dispatch Intervals LMPs and the two 5-minute optimal Instructed Imbalance Energy (IIE) quantities." [UDP price determination should be in tariff.]	As posted on April 11, the CAISO proposes to revise Section 11.23(l) of the CAISO Tariff to clarify this aspect of the UDP Settlement calculations. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff.
WPTF	2.3.2.8	"This exemption does not apply to Dynamic System Resources since their Start-Up and Shut-Down Energy is delivered in the host Control Area and the dynamic signal is only active when the Dynamic System Resource schedules in the CAISO Markets." [This should be explicitly spelled out in the tariff.]	As posted on April 11, the CAISO proposes to revise Section 11.23(v) of the CAISO Tariff to clarify this aspect of the UDP Settlement calculations. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff.
WPTF	2.3.2.9	"a UDP exemption is provided for such deviations for the duration of the frequency excursion and for an additional five minutes, when a Generating Unit's deviation is in the same direction as the mitigating frequency response. " [5-minute time frame should be in tariff.]	As posted on April 11, the CAISO proposes to revise Section 11.23(w) of the CAISO Tariff to clarify this aspect of the UDP Settlement calculations. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff.
WPTF	2.3.2.10	"In order to assure that resources are not subject to UDP due to a CAISO system issue, a UDP exemption is provided in the event that an ADS or RTM Application issue causes an infeasible Dispatch Instruction to be communicated or prevents timely communication of Dispatch Instructions, or a SLIC outage prevents a resource from reporting an event that affects such resource's ability to deliver Energy. In addition, UDP is not applied to manual Dispatch Instructions that are not confirmed by a Dispatch Instruction transmitted through ADS..." [These are not included in tariff and should be.]	As posted on April 11, the CAISO proposes to add new Sections 11.23(x) and 11.23(y) to the CAISO Tariff to add these exemptions to the UDP provisions. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff.
WPTF	2.3.2.12	Section 2.3.2.12. "CAISO provides a UDP exemption for Dispatch Instructions manually issued to individual Generating Units, System Units, and Dynamic System Resources that are not confirmed by a Dispatch Instruction issued through ADS." [This is not included in tariff and should be.]	As posted on April 11, the CAISO proposes to add new Section 11.23(y) to the CAISO Tariff to add this exemption to the UDP provisions. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff.
WPTF	2.3.2.14 and 2.4	Compliance. Tariff 11.23 (g) includes substantially different	Section 2.4 of the BPM for Compliance Monitoring outlines the

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		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		metrics for the exemption than does the BPM. Additionally BPM 2.4 calls for different equations than seem to be reflected in 11.23(g). These need to be trued up.	DOPD which considers the Regulation limits consistent with Section 11.23 (g). This DOPD equation in combination with the UDP Billable Quantity calculation in which the Tolerance Band is applied in section 2.4.3 is consistent with this tariff section. No change to the tariff is needed.
WPTF	2.4.2	"Similarly, if a unit is not scheduled for Regulation, then the Effective Regulation Limits in equations 5 and 6 are zero and the unit's metered Energy is only compared to its Expected Energy. The Effective Regulation Limits are capacity values (MW) that are converted to Energy values (MWh) by dividing by six." [There are no effective energy limits in equations 5 and 6. This is ambiguous and therefore it is not possible to determine if it is consistent with the tariff language that exempts regulating units for their regulating range while on regulation.]	Correction made to reference equations 3 and 4.
WPTF	2.5.3	" If units A and B are in a UDP Aggregation and unit A suffers an Outage, unit B may adjust its output above its Expected Energy to offset the Imbalance Energy charges resulting from the Outage of unit A (assuming that a SLIC ticket is submitted within 30 minutes for unit A)." [This set of requirements seems odd. If unit A enters a SLIC ticket within 30 minute then wouldn't it be exempt from the UDP anyway? What is the purpose of having an aggregation if UDPs cannot be exchanged even absent a SLIC ticket? Tariff impacts need to be assessed following clarification.]	The UDP exemption for submitting a SLIC Outage ensures that the unit that experiences an Outage does not have an Uninstructed Deviation that contributes to the UDP Aggregation's Uninstructed Deviation. However, the SC may elect to use its other units within the aggregation to over-generate to make up the Energy lost on the unit that is on an Outage - this is not required but an SC may want to reduce total portfolio Uninstructed Deviations and avoid Imbalance Energy charges. The UDP Aggregation Re-rate Energy allows the other units to over-generate for the unit on an Outage without the aggregation receiving a UDP. If the SC chooses not to overgenerate with other units and those units just follow their Dispatches, UDP will also not apply.
WPTF	6.1	Section 6.1. "Tier 1: For No Pay from AS Awards, the AS price used in the No Pay charge is calculated as the weighted average of the Ancillary Service Marginal Prices (ASMPs) across the DAM, HASP, and RTM. The weighting factors are the AS Award amounts in each AS market." [Cannot find in tariff and needs to be in tariff]	The CAISO proposes to revise Sections 8.10.8 and 11.10 of the CAISO Tariff to clarify this aspect of Settlement calculations.
WPTF	6.1	Section 6.1. "Tier 2: Any remaining No Pay AS Capacity up to the total AS award from qualified AS self-provision in the DAM and RTM reduces the relevant SC's effective AS self-provision in	Section 4.1 was incorrect and has been corrected. Self-Provided AS capacity that is subject to No Pay reduces the relevant SC's effective AS self-provision in the AS

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		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		the AS cost allocation, effectively charged back at the relevant AS rate. " This seems to conflict with Section 4.1: "For Self-Provided AS, the No Pay charge is equivalent to that which would arise if the AS had been Bid into each market in which they were issued an AS Schedule and were awarded the Self-Provided AS capacity amounts." [This needs to be resolved and trued up with Tariff.]	cost allocation, effectively charged back at the relevant AS rate. CAISO Tariff section 8.10.8 will also be corrected to be consistent with this change. BPM Section 6.1 correctly states the settlement of Self-Provided AS capacity subject to No Pay. In addition, the CAISO proposes to revise Sections 8.10.8 and 11.10 of the CAISO Tariff to clarify this aspect of Settlement calculations.
WPTF	7.4	Section 7.4. BPM states "Capacity committed in RUC from an RA Resource has a zero Bid price and does not have a financial RUC rescission consequence when RA RUC becomes undispachable or undelivered, " yet tariff (8.10.8.1) states: "For capacity committed in RUC from a Resource Adequacy (RA) resource that becomes Undispachable Capacity, the payment obligation shall be equivalent to payment obligation which would arise if the resource were eligible to receive a RUC Availability Payment." These conflict and need to be reconciled. Further, the BPM (as does the tariff) indicates an ordering to application of any unavailable capacity, that is applied to bid-based RUC first and then RA RUC second and it seems that priorities would not matter if no pay was all charged at the same rate.	The CAISO proposes to revise Sections 8.10.8.1 and 11 of the CAISO Tariff to be consistent with the provisions of Section 7.4 of the BPM regarding the absence of a financial consequence for unavailability or undeliverability of RA RUC Capacity. As noted in the comment, the provisions of this section and the CAISO Tariff are consistent regarding allocation of Unavailable Capacity and the CAISO does not propose to change them.
WPTF	10.2.7	"For any RA Resource failing to pass a performance audit, CAISO also notifies the California Public Utilities Commission (CPUC) or the relevant Local Regulatory Authority of the failure." Tariff 8.9.7 only refers to contacting the CPUC and should be updated for completeness and consistency.	Section 8.9.7 of the CAISO Tariff was revised in the CAISO's November 20, 2006 compliance filing to incorporate the requested change and is consistent with the BPM. No change is needed.
WPTF	10.3.5	"The SC or Black Start Generator for the Generating Unit is paid the Generating Unit's contract price for the output under the Black Start test." [The payment provisions are not included in the tariff. Paying for IIE would be only a fraction of the testing cost incurred if you actually had to start a unit from a Black start. These payment provisions need to be discussed fully and ultimately added into tariff.]	The referenced payment provisions are set forth in Section 8.10.5 of the CAISO Tariff, which has been conditionally accepted by FERC. The CAISO will consider whether any revision to this section of the CAISO Tariff needs to be made in the future.
WPTF	Attachment B	Attachment B. "The actual Energy that the unit may produce while ramping down from the Reported Minimum Availability after the Shut-Down instruction is exempt from UDP for the minimum of two Settlement Intervals or the duration defined by	As posted on April 11, the CAISO proposes to revise Section 11.23(v) of the CAISO Tariff to clarify this aspect of the UDP Settlement calculations. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section

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		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		the Generating Unit's shut downtime in the Master File. The relevant equations to flag the Shut-Down Settlement Intervals are as follows..." The Tariff 11.23 (v) does not reference this 2-interval aspect and it should include these BPM provisions.]	11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff.
WPTF	Attachment C	Attachment C. "This exemption is applied for the period the system issue exists up to the earliest Settlement Interval, inclusive, that meets one of the following criteria...In general, when a Generating Unit is not at its DOP because of not receiving an RTM Applications or ADS instruction or because a unit providing Regulation is released from CAISO control away from its DOP, CAISO exempts the Generating Unit from UDP for the time required for the Generating Unit to reach its DOP following the Ramp Rate supplied to CAISO. To simplify the application of this rule, CAISO provides up to six Settlement Intervals for the Generating Unit to reach its DOP as determined by the Generating Unit DOPD being less than the Tolerance Band of the individual unit or by the DOPD changing sign indicating that the unit had reached its DOP. In addition, although six Settlement Intervals was selected as a reasonable time for a Generating Unit to reach its DOP in these cases, any resource that has not met the criteria described above after six Settlement Intervals is investigated by CAISO and is exempt from UDP for more than six Settlement Intervals in instances where the Generating Unit has consistently ramped towards its DOP at the applicable Ramp Rate." These are important terms and conditions that would directly affect settlements in the event of a systems issue and need to be in tariff.	As posted on April 11, the CAISO proposes to add new Section 11.23(x) to the CAISO Tariff to add the general terms of this exemption to the UDP provisions. The CAISO considers the details of the application of this general exemption to be appropriately placed in the BPM. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff.
WPTF	Attachment D	Attachment D. "This exemption is provided for the Settlement Intervals in which the manually issued Dispatch Instruction was effective to the earliest Settlement Interval, inclusive, that meets one of the following criteria...In cases where an individual unit incurs UDP in more than six Settlement Intervals following the Settlement Intervals in which a manual Dispatch Instruction was effective, CAISO provides a UDP exemption for additional Settlement Intervals providing the unit has consistently ramped towards its DOP at the applicable Ramp Rate." [The rationale for these criteria are unclear and need to be discussed and resolved	As posted on April 11, the CAISO proposes to add new Section 11.23(y) to the CAISO Tariff to add the general terms of this exemption to the UDP provisions. The CAISO considers the details of the application of this general exemption to be appropriately placed in the BPM. These criteria target instances where an SC is issued a manual Dispatch Instruction even during times when ADS is functioning. Therefore for criterion 1, the change in DOPD signage represents the end of either a negative or positive DOPD resulting from a late instruction. Criterion 2 represents that the exemption ends once

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		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		and included in the tariff.]	a resource is able to operate within its Tolerance Band, so the exemption ends in the first interval where UDP is no longer assessed relative to a manual instruction. Criterion 3. This criterion allows the resource 6 Settlement Intervals after the manual Dispatch Instruction to meet the DOP.”
WPTF	Attachment E	"If the Market Participant’s systems experience issues such that they are unable to retrieve Dispatch Instructions through the ADS API, CAISO provides a UDP exemption provided the issue is communicated to the CAISO Control Center and logged in SLIC. If such system issue is not resolved within 24 hours, the Market Participant must revert to the MP Client as its means of receiving Dispatch Instructions, and CAISO subsequently uses the validation received from the MP Client to confirm receipt of Dispatch Instructions. If a system issue is resolved after 24 hours, the Market Participant must notify the CAISO Control Center that they are resuming use of the ADS API as their primary means of receiving Dispatch Instructions". [These are important terms and conditions and must be in tariff.]	As posted on April 11, the CAISO proposes to revise Section 11.23(p) of the CAISO Tariff to add the general terms of this exemption to the UDP provisions. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff. The CAISO considers the details of the application of this general exemption to be appropriately placed in the BPM.
WPTF	Attachment E	"The exemption is also provided after effective time of the validated ADS instruction to the earliest Settlement Interval, inclusive, that meets one of the following criteria:...If a Dispatch Instruction is validated after the start time of the instruction, CAISO provides a UDP exemption from the Settlement Interval in which the Dispatch Instruction was first effective to the earliest Settlement Interval, inclusive, that meets one of the following criteria..." [The rationale for these criteria are unclear and need to be discussed and resolved and included in the tariff.]	These criteria target instances where an SC is issued an ADS Dispatch Instruction that did not allow sufficient time for the Market Participant respond. Therefore for criterion 1, the change in DOPD signage represents the end of either a negative or positive DOPD resulting from a late instruction. Criterion 2 represents that the exemption ends once a resource is able to operate within its Tolerance Band, so the exemption ends in the first interval where UDP is no longer assessed relative to a late Dispatch Instruction. Criterion 3. This criterion allows the resource 6 Settlement Intervals after the late Dispatch instruction to meet the DOP. The CAISO considers the details of the application of this general exemption to be appropriately placed in the BPM.
TANC	2.4	TANC submits that Section 2.4 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 2.4 of the BPM set forth the details of the determination of the amount of Uninstructed Imbalance Energy in excess of the UDP Tolerance Band in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23 and the definition of the Tolerance

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			Band. This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	2.4.1	TANC submits that Section 2.4.1 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 2.4.1 of the BPM set forth the details of the determination of the amount of Uninstructed Imbalance Energy in excess of the UDP Tolerance Band in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23 and the definition of the Tolerance Band. This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	2.4.3	TANC submits that Section 2.4.3 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 2.4.3 of the BPM set forth the details of the determination of the amount of Uninstructed Imbalance Energy in excess of the UDP Tolerance Band and the applicable price in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23 and the definition of the Tolerance Band. This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	2.5.1	TANC submits that Section 2.5.1 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 2.5.1 of the BPM set forth the details of the determination of the amount of Uninstructed Imbalance Energy in excess of the UDP Tolerance Band for UDP Aggregations in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23, Appendix R, and the definition of the Tolerance Band. This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	2.5.3	TANC submits that Section 2.5.3 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 2.5.3 of the BPM set forth the details of the determination of the amount of Uninstructed Imbalance Energy in excess of the UDP Tolerance Band for UDP Aggregations in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23, Appendix R, and the definition of the Tolerance Band. This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	2.5.4	TANC submits that Section 2.5.4 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 2.5.4 of the BPM set forth the details of the determination of the amount of Uninstructed Imbalance Energy in excess of the UDP Tolerance Band for UDP Aggregations and the applicable price in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23, Appendix R, and the definition of the Tolerance Band.

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		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	3.1.3	TANC submits that Section 3.1.3 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 3.1.3 of the BPM set forth the details of the determination of the amount of Energy used in the calculation of the MSS Load Following Deviation Penalty in implementation of the fully-sufficient general provisions of CAISO Tariff Section 4.9.9 (which provisions the CAISO is proposing to move to CAISO Tariff Sections 4.9.13 and 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	3.1.4	TANC submits that Section 3.1.4 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 3.1.4 of the BPM set forth the details of the determination of the amount of Energy used in the calculation of the MSS Load Following Deviation Penalty in implementation of the fully-sufficient general provisions of CAISO Tariff Section 4.9.9 (which provisions the CAISO is proposing to move to CAISO Tariff Sections 4.9.13 and 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	3.1.5	TANC submits that Section 3.1.5 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 3.1.5 of the BPM set forth the details of the determination of the amount of Energy used in the calculation of the MSS Load Following Deviation Penalty in implementation of the fully-sufficient general provisions of CAISO Tariff Section 4.9.9 (which provisions the CAISO is proposing to move to CAISO Tariff Sections 4.9.13 and 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.2.1.1	TANC submits that Section 4.2.1.1 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 4.2.1.1 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.1 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.2.1.2	TANC submits that Section 4.2.1.2 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to	The provisions of Section 4.2.1.2 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	sufficient general provisions of CAISO Tariff Section 8.10.8.1 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.2.2	TANC submits that Section 4.2.2 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 4.2.2 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.2 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.2.3	TANC submits that Section 4.2.3 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 4.2.3 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.3 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.3.1	TANC submits that Section 4.3.1 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 4.3.1 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.1 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.3.2	TANC submits that Section 4.3.2 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 4.3.2 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.3 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.3.3	TANC submits that Section 4.3.3 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service	The provisions of Section 4.3.3 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.2

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SHOULD BE INCLUDED IN THE CAISO TARIFF**

		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		under the CAISO Tariff.	(which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.4.1	TANC submits that Section 4.4.1 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 4.4.1 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.1 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.4.2	TANC submits that Section 4.4.2 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 4.4.2 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	4.5	TANC submits that Section 4.5 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 4.5 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	5.2	TANC submits that Section 5.2 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 5.2 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.6 (which provisions the CAISO may propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	5.3	TANC submits that Section 5.3 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 5.3 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.6 (which provisions the CAISO may propose to move in part to

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		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	5.4	TANC submits that Section 5.4 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 5.4 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.6 (which provisions the CAISO may propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	5.5	TANC submits that Section 5.5 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 5.5 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.6 (which provisions the CAISO may propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	5.6	TANC submits that Section 5.6 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 5.6 of the BPM set forth the details of the determination of the amount of Ancillary Services capacity subject to No Pay in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.6 (which provisions the CAISO may propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	7.2	TANC submits that Section 7.2 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 7.2 of the BPM set forth the details of the determination of the amount of RUC Capacity subject to rescission of RUC Availability Payments in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.1 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	7.3	TANC submits that Section 7.3 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 7.3 of the BPM set forth the details of the determination of the amount of RUC Capacity subject to rescission of RUC Availability Payments in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.3 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for

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SHOULD BE INCLUDED IN THE CAISO TARIFF**

		COMPLIANCE MONITORING BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			incorporation into the CAISO Tariff.
TANC	7.4	TANC submits that Section 7.4 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 7.4 of the BPM set forth the details of the determination of the amount of RUC Capacity subject to reporting to the CPUC or Local Regulatory Authority in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.1 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	7.5	TANC submits that Section 7.5 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 7.5 of the BPM set forth the details of the determination of the amount of RUC Capacity subject to rescission of RUC Availability Payments in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8.1 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	7.6	TANC submits that Section 7.6 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Section 7.6 of the BPM set forth the details of the determination of the amount of RUC Capacity subject to rescission of RUC Availability Payments in implementation of the fully-sufficient general provisions of CAISO Tariff Section 8.10.8 (which provisions the CAISO will propose to move in part to Section 11). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	Attachment A	TANC submits that Attachment A, Section A.1 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Attachment A, Section A.1 of the BPM set forth the details of the determination of the UDP exemption for Outages and Rerate Energy in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23(p). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	Attachment B	TANC submits that Attachment B, Section B.1 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The provisions of Attachment B, Section B.1 of the BPM set forth the details of the determination of the UDP exemption for Start-Up and Shut-Down Energy in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23(v). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	Attachment B	TANC submits that Attachment B, Section B.2 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff	The provisions of Attachment B, Section B.2 of the BPM set forth the details of the determination of the UDP exemption for

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Stakeholder	BPM Section	COMPLIANCE MONITORING BPM	
		Stakeholder Comment	CAISO Response
		because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	Start-Up and Shut-Down Energy in implementation of the fully-sufficient general provisions of CAISO Tariff Section 11.23(v). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	Attachment C	TANC submits that Attachment C, Section C.2 of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The CAISO proposes to add a new Section 11.23(x) to the CAISO Tariff to set forth the general provisions for this exemption from UDP in the event of CAISO systems malfunctions. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff. The provisions of Attachment C, Section C.2 of the BPM set forth the details of the determination of the UDP exemption for CAISO systems malfunctions in implementation of the fully-sufficient general provisions of proposed new CAISO Tariff Section 11.23(x). This level of detail is inappropriate for incorporation into the CAISO Tariff.
TANC	Attachment D	TANC submits that Attachment D of the BPM for Compliance Monitoring must be moved into the CAISO Tariff because it contains information and/or formulae that is necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff.	The CAISO proposes to add a new Section 11.23(y) to the CAISO Tariff to set forth the general provisions for this exemption from UDP in the event of CAISO failure to confirm a manual Dispatch Instruction through ADS. Due to continuing CAISO evaluation of the implementation of UDP, the proposed changes to Section 11.23 were not included in the August 3, 2007 filing of revisions to the CAISO Tariff. The provisions of Attachment D of the BPM set forth the details of the determination of the UDP exemption in the event of CAISO failure to confirm a manual Dispatch Instruction through ADS in implementation of the fully-sufficient general provisions of proposed new CAISO Tariff Section 11.23(y). This level of detail is inappropriate for incorporation into the CAISO Tariff.

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SHOULD BE INCLUDED IN THE CAISO TARIFF**

METERING BPM

	METERING BPM	
Stakeholder	Stakeholder Comment	CAISO Response
WPTF	WPTF believes all specific roles and responsibilities of the ISO and Market Participants need to be captured in the FERC-filed tariff. As such we are concerned seeing a BPM contain a lot of roles and responsibilities. Please prepare for the BPM review meeting a discussion and presentation to explain what the relationship is between this BPM and the FERC-filed tariff provisions. Please also provide an indication of any new provisions that did not previously exist in this BPM.	The CAISO agrees that all specific roles and responsibilities of the CAISO and Market Participants must appear in the CAISO Tariff. The CAISO recognizes that through the review of the BPMs both internally and with its stakeholders, certain additional terms, rates and conditions may be identified as necessary to import into the CAISO Tariff. The CAISO will address all such requests raised by stakeholders and encourages stakeholders to submit specific provisions that they believe should be in the CAISO Tariff with a descriptive explanation supporting the proposed import. The CAISO is planning to make necessary filings to update the MRTU CAISO Tariff as appropriate to capture these changes prior to the start of the applicable markets under MRTU. However, the substance of essentially all of the provisions of this BPM reflect currently-existing provisions of the CAISO Tariff or currently-effective CAISO guidelines, policies and procedures regarding metering. Consequently, the CAISO does not consider this BPM to add any substantive new requirements. In fact, a number of the provisions of this BPM are duplicative of provisions of the tariff and will be considered for removal and replacement with cross-references to the applicable tariff provisions. Moreover, the CAISO does not consider this BPM to include any additional rates, terms, or conditions that will need to be added to the MRTU CAISO Tariff. If anything, it is the CAISO's view that more of the provisions of the tariff should be considered for removal and placement in this BPM.
APX	In the event there is conflicting information across the various BPMs and Tariff, will the BPM for metering be the definitive source for determining meter data submittal deadlines or will this be in the Settlements and Billing BPM as implied in section 6.1?	The source for determining/identifying the meter data submittal deadlines is the CAISO Payments Calendar published on the CAISO Website. The specific submittal dates are not specified by either the BPM for Settlements or the BPM for Metering. The MRTU CAISO Tariff only specifies that the submission deadline should be provided in the CAISO Payments Calendar; therefore there should be no conflict between sources.
TANC	Since having revenue-quality meters is a condition of taking CAISO service, TANC submits that the whole of Section 3.2 should be moved to the CAISO Tariff. For similar reasons, TANC submits that Attachments A, B, C, D and E should also be moved into the CAISO Tariff.	The provisions of the BPM identified in the comment serve primarily to provide extensive details of implementation of the general provisions of the CAISO Tariff regarding metering certification, inspection, testing, and maintenance. The level of specificity of description of the CAISO's general metering requirements set forth in the CAISO Tariff is fully sufficient, and the identified provisions of the BPM contain far more detail than is appropriate to be set forth in the tariff. In fact, the provisions of Attachments A, B, and D of the BPM are technical

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SHOULD BE INCLUDED IN THE CAISO TARIFF**

	METERING BPM	
Stakeholder	Stakeholder Comment	CAISO Response
		<p>specifications that are proposed to be moved to the BPM from Appendices J and O of the CAISO Tariff in conjunction with the deletion of CAISO Tariff Appendices J and O as incorporating an inappropriate level of detail into the tariff. With regard to the CAISO Tariff authority for the identified BPM provisions, the provisions of Section 3.2 of the BPM set forth details implementing the only slightly less-detailed provisions of CAISO Tariff Sections 10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.8, 10.2.11, 10.2.13, 10.3.7, 10.3.9, 10.3.11, and 10.3.14, which set forth a fully-sufficient specification of the general requirements applicable to certification of revenue-quality metering for CAISO Metered Entities and Scheduling Coordinator Metered Entities. BPM Attachment A implements the fully-sufficient general requirements of CAISO Tariff Section 10.2.3 regarding standards applicable to the metering of CAISO Metered Entities and is simply a listing of national industry metering standards with which the revenue-quality meters of CAISO Metered Entities need to comply, which listing of industry standards is inappropriate for incorporation directly into the CAISO Tariff. BPM Attachment B sets forth in excruciating detail the technical specifications and standards for certification of the revenue-quality metering of a CAISO Metered Entity, which detail implements the fully-sufficient provisions of CAISO Tariff Sections 10.2.3, 10.2.4 and 10.2.10 regarding metering certification requirements. BPM Attachment C is simply a set of on-site verification and testing procedures for CAISO Authorized Inspectors to follow when implementing the fully-sufficient general metering certification requirements of CAISO Tariff Section 10.2.4 prior to CAISO certification of the revenue-quality metering of CAISO Metered Entities. BPM Attachment D is a set of more detailed procedures for the Validation, Estimation, and Editing (VEE) process implementing the fully-sufficient general requirements of CAISO Tariff Sections 10.2.8 and 10.2.9 for the production of Settlement Quality Meter Data for CAISO Metered Entities. Attachment E sets forth essentially a checklist of activities to be performed as part of a CAISO audit of the Metering Facilities of CAISO Metered Entities, in implementation of the fully-sufficient general provisions of CAISO Tariff Section 10.2.11 specifying the CAISO's right to audit, test, and inspect such Metering Facilities.</p>

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SHOULD BE INCLUDED IN THE CAISO TARIFF**

CONGESTION REVENUE RIGHTS BPM

CONGESTION REVENUE RIGHTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	3.2.1	"The amount of available credit for participating in a CRR Auction cannot exceed the entity's Aggregate Credit Limit" [The phrase "Aggregate Credit Limit" was not used or defined in Feb tariff. Needs to be in tariff.]	This language will be added to Section 36.5.1.
WPTF	3.2.2	[Needs to ultimately be resolved per tariff resolution of credit requirements.]	The CAISO is evaluating the April 19 Order in Docket ER06- 700 and will conform update the creditworthiness provisions as appropriate.
WPTF	3.3	"Any entity that wishes to participate in the CRR Allocation process must provide information that demonstrates that it has an obligation to serve Load. For entities serving Load internal to the CAISO Control Area, examples of the information that could be submitted include Settlement Quality Meter Data or documents filed with the California Energy Commission. " BPM provision could not be found in Tariff and warrants inclusion.	Appropriate language will be added to Section 36.8.2
WPTF	3.4	"Since digital certificates are issued to specific individuals on behalf of the entity they work for, it is the individual attending the training that will be issued the digital certificate. CAISO can update training requirements annually or on an as-needed basis. If an employee leaves a company, the CAISO should be notified so that this certificate can be revoked. It is the intent that once an employee has been trained at the CAISO that this training would then be passed on to other employees of the company. If the employee that was trained does leave the company then the CAISO will let the employer decide if they have another employee that is adequately trained or if not then have someone attend the next available training class." [The details on digital certificate, notification and revocation should be summarized in Feb. tariff.]	Appropriate language will be added to Section 36.5.2.
WPTF	4.3	"The specific commercial information to be released is under review but the information could include interface limits, APNode mapping and monitored facilities. When the release process is finalized the CRR BPM will be updated with the list of	Appropriate level of detail is already in Section 6.5.1.1

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

CONGESTION REVENUE RIGHTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		commercial information that will be made available....Allocation participants can download the CRR FNM, commercial data, and Fixed CRRs associated with each allocation market.... Allocation participants can download general allocation results as well as their specific individual results....CAISO will provide residual value information on the Scheduling Point/Transmission Interfaces." [The Feb. tariff needs to include the final info that is being released as well as an indication of what system information from the CRR allocation and auction results (e.g. binding constraints) will be made available.]	
WPTF	5.1	[similar issue as expressed under item 3.3] BPM provision could not be found in Tariff and warrants inclusion.	Appropriate language consistent with current policy will be added to Section 36.8 for internal loads and 36.9 for external loads.
WPTF	5.2	"For a discussion on the Merchant Transmission project allocation process, refer to Section 14 of this BPM (section 14 of this BPM is still being developed)." [Need to have ability to see tariff impacts after this process gets resolved.]	Tariff being amended to capture CAISO's merchant transmission proposal.
WPTF	6.3.3	"To verify a CRR Source Location, the contract duration must be a minimum of 30 days. CAISO will also allow daily contracts to be used to meet this requirement." [These statements seem contradictory and also cannot be found in the Feb. tariff. These requirements must be in tariff.] "Specific details on the level of documentation that will be required for the verification process will be developed and incorporated into this BPM at a later date." [Tariff impacts cannot be assessed without detailed requirements.]	Appropriate language will be added to Section 36.8.3.4.
WPTF	6.3.4 and 6.3.4.4	"As mentioned in Section 6.3.4.4 of this BPM, there can be a pro rata adjustment for contracts that do not cover the entire CRR term....CAISO works with each of the Candidate CRR Holders to review contracts or other documentation that demonstrates CRR Source Locations utilized during the relevant historical period. CAISO considers a contract (or combination of contracts) that covers a portion of a season (minimum 30-day period) to be sufficient verification for the entire season, but the MW values are pro rata adjusted for the relevant term of the CRR if the contracts are not for the complete CRR term." [BPM provision could not be found in Tariff and warrants inclusion.]	Appropriate language will be added to Section 36.8.3.4.4.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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CONGESTION REVENUE RIGHTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	6.3.4.3	"CRR Allocation participants will be notified of their shares of any unverified Transmission Interface capacity during the annual and monthly CRR allocation process. This information will be provided in a timely fashion so that Candidate CRR Holders or CRR Holders can decide whether to utilize their share in the upcoming allocation and auction." [The details of this need to be in the tariff]	Appropriate language will be added to Section 36.8.4.2.1
WPTF	6.4	"The CAISO will make available, prior to the beginning of the allocation process, a list of allowable sources and sinks to be used in the allocation." [BPM provision could not be found in the Feb. Tariff and warrants inclusion.]	Appropriate language will be added to Sections 36.8.2 and 36.8.3.4.
WPTF	6.4	"LSE's sink validation is based off of meter data." [BPM provision could not be found in the Feb. Tariff and warrants inclusion.]	This detail will be included in the tariff. Appropriate language will be added to Section 36.8. Tariff being amended to capture CAISO's merchant transmission proposal.
WPTF	6.4	BPM states: "The MSS election of gross or net is made on an annual basis, at least 60 days prior to the deadline for the annual CRR Allocation process. Once the election is made it is valid for each of the monthly allocations within that annual term. All MSS Operators must elect gross settlement for the first 12 months after MRTU goes live (see CAISO Tariff § 4.9.13). If the MSS Operator does not notify CAISO of their election then the default is gross settlement." Tariff section 4.9.13 states: "The default for the first twelve months after this Section 4.9.13 and Section 36 becomes effective shall be: 1) non Load-following; 2) gross settlement as specified in Section 11.2.3.1; and 3) to opt in to RUC procurement process. In subsequent years, the prior year election will be the default if the MSS Operator does not make a timely election." [This does not seem to say the same thing as the "default" that's discussed in the tariff section. Is it mandatory to take gross settlement? If so, tariff must be clearer.]	The BPM language will be clarified to be consistent with Section 4.9.13
WPTF	6.4	BPM states: "These entities must provide historical export scheduling information that confirms these Scheduling Points were used during the prior year. Supporting documentation would be final Hour Ahead schedules submitted to the CAISO through the scheduling system." Tariff section 36.9.4 states: "Eligible CRR	Section 36.9.4 is being revised per the April 20 Order on Rehearing.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

CONGESTION REVENUE RIGHTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		Sources will be the PNodes of the Generating Units for which the LSE has made a legitimate need showing as described above. Eligible CRR Sinks will be the Scheduling Points for which published CRR Eligible Quantities based on the LSE's submitted historical hourly export the CAISO has established data" [The requirement for schedules should be in the tariff.]	
WPTF	6.4	BPM states: "Sub-LAPs if within the LSE's Default LAP (in the annual tier 3 and monthly tier 2". Tariff section 36.8.3.6 states: "In Tier 2 of the monthly CRR Allocations, each LSE may nominate Monthly CRRs up to 100% of its Monthly CRR Eligible Quantities, minus the quantity of CRRs allocated to that LSE in Tier 1 In Tier 2 of the Monthly Allocation, Sub-LAPs will be eligible CRR Sinks." [The tariff is not clear that sublaps must be within eligible lap. Further, the tariff is silent about there being any verification of sinks in tier 3.]	Language will be added to Section 36.8.3.6.2
WPTF	7.1.3	"If Load has migrated to or from the LSE prior to submitting this historical Demand data, then the LSE should make the necessary adjustments to reflect this migrated Load in its historical Demand data. ...When Load migration occurs the impacted LSEs need to send an e-mail to crrdata@caiso.com notifying CAISO." [This requirement was not found in the Feb. Tariff and should be included.]	Will consider adding such detail in subsequent filing as necessary on Load Migration later this year.
WPTF	8.4	BPM states: "In the annual CRR processes following CRR Year One, there are no special provisions regarding CRR Sources at Scheduling Points in tiers 1 and 2. For tier 3, CAISO sets aside 50% of the import capacity at each Scheduling Point that remains after the tier 1 and tier 2 allocations (see CAISO Tariff § 36.8.4.1)." Tariff section 36.8.4.1 states: "Tiers 1 and 2 of the annual CRR allocation in CRR Year One, all LSEs eligible to nominate CRRs under CRR capacity at each Scheduling Point that remains after the completion of the source verification process. Each LSE's share of the residual import CRR capacity will be calculated as follows. Starting with the total capacity at each Scheduling Point that was available in the DC FNM for the Annual CRR Allocation and Auction process, the CAISO will	Commenter is confusing the Import CRR provisions for CRR Year One and those for years <i>beyond</i> CRR Year One. Section 36.8.4.1 contains these rules and is consistent with the BPM.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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CONGESTION REVENUE RIGHTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		calculate the amount that remains at each Scheduling Point after subtracting the capacity accounted for by those Scheduling Point CRR Sources submitted by LSEs for verification that have been verified. The CAISO will then set aside 50 percent of this amount at each Scheduling Point for the Annual CRR Auction.	
WPTF	8.4	BPM states: "For the monthly CRR Allocation processes subsequent to CRR Year One, there are no special provisions in tier 1. In tier 2, CAISO sets aside 50% of the import capacity that remains at each Scheduling Point after accounting for the annual CRR Allocation and CRR Auction results affecting that month and tier 1 of the monthly CRR Allocation." Tariff section 36.8.3.5 states "In each Monthly CRR Allocation during CRR Year One, source verification will be required in Tier 1 as in the annual allocation process. Following the verification process, the CAISO will calculate and set aside for the Monthly CRR Auction 50 percent of the import capacity that remains at each Scheduling Point after accounting for the verified Scheduling Point CRR Source submissions to the monthly process and the Annual CRR Allocation and Auction results for that month, and will allow LSEs to nominate monthly CRRs with CRR Sources at each Scheduling Point in quantities up to their pro rata shares of the other 50 percent in proportion to their Monthly CRR Eligible Quantities" [Tariff also seems to suggest that 50% will be available in tier 1 and not just tier 2. BPM language differs from Tariff language located and BPM and Tariff need to be reconciled.]	The section the Commenter is quoting is section 36.8.4.1. The quoted sentence refers to CRR Year One process. The language in 36.8.4.1 regarding the Year Two and Beyond process is consistent with the BPM.
WPTF	8.6	BPM states: "There is no increase in an LSE's PNP eligible quantities due to an increase in Demand from Load migration." Tariff section 36.8.3.5 states: "In the second and all subsequent Annual CRR Allocations beyond CRR Year One, an LSE may make PNP nominations up to the lesser of: (1) 66% of its Seasonal CRR Eligible Quantity for each season, time of use period and LAP for that year..." [The BPM seems to contradict the tariff which says you can get up to 66% of Eligible Quantity.]	The BPM language mirrors section 36.8.5.1 of the Tariff. An LSE that loses or gets net Demand through Load Migration does have its SEQ adjusted for the next annual CRR allocation.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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CONGESTION REVENUE RIGHTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	9.1	"Participants wanting to place bids in the CRR Auction must ensure that they have the desired collateral amount posted with the CAISO Finance Department at least seven business days prior to the CRR Auction market opening." [The seven day requirement mentioned in the BPM could not be found in the Feb. Tariff.]	The deadline is an appropriate detail for the BPM under section 36.13.3 of the Tariff.
WPTF	10.6	"It is possible for Outages modeled in the monthly allocation to render previously awarded CRRs infeasible. When this occurs, a special feature in the CRR system called "soft limits" functionality can be activated. This functionality will increase the limits on any constraints that are overloaded as a result of the transmission outages such that all the previously awarded CRRs will be feasible. The act of changing operating limits like this is a factor that could contribute to but does not necessarily mean a possible revenue inadequate condition." [BPM language could not be found in the Tariff and needs to be reconciled].	See Tariff sections 36.4 and 36.4.2.
WPTF	12.2.3 and 12.2.4	BPM states: "The eligible CRR Sink Locations are Scheduling Points that the entity historically used to serve its load. To verify a CRR Sink Location, the entity must have final Hour-Ahead Schedules at that particular Scheduling Point." Tariff section 36.9.4 states: "Eligible CRR Sinks will be the Scheduling Points for which the CAISO has established CRR Eligible Quantities based on the LSE's submitted historical hourly export data." [The Feb. Tariff doesn't specify final schedules as verification data. This needs to be resolved in the Tariff.]	The CAISO will be base the Scheduling Point verification on the tagged Real-Time Interchange Export Schedules. See changes to Section 36.9.3
WPTF	13.2	"CRRs can be traded on a daily, TOU (on and off-peak) basis in increments as small as a tenth of a MW. CRRs cannot be traded on an hourly basis." [BPM provision could not be found in Tariff and warrants inclusion.]	See Tariff section 36.7.1.1.
WPTF	13.2.1	"The LMPs to be used for this collateral check is being reviewed by the CAISO." [The tariff impacts can not be assessed until this is specified.]	This will be addressed through the upcoming credit provisions filing.
WPTF	14	"The topic of Merchant Transmission upgrades needs to have stakeholder review and discussion before this section can be completed." [Cannot assess tariff impacts without specifics.]	Tariff provisions regarding Merchant Transmission Upgrades have been posted.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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CONGESTION REVENUE RIGHTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	Attachment B	"For MPT nominations submitted in the allocation, the value of the Priority Weight for a MPT source nomination is correlated to the priority of the MPT source nomination..." [No description of treatment of MPT CRRs could be found in SFT. BPM contains detailed treatment of priorities of MPT CRRs. More description - even high level - is needed in the tariff.]	The objective function of the SFT is described generally in the Tariff at 36.4.2. The objective function formula for the SFT does not need to be in the Tariff.
WPTF	Attachment B	"Nominations or bids that are tied, i.e. nominations having the same effectiveness on a binding constraint or bids having the same effective price for relieving a constraint, are pro-rata allocated/awarded based on the nominated or bid MW amounts." [Needs to be in tariff, as not all markets provide for pro-rata treatment.]	See draft tariff language added at Sections 36.4.2.(d). and Section 36.13.6
WPTF	Attachment B	"At this time, the IFM does not model unscheduled flows, so to be consistent the CRR model will not consider unscheduled flows. If it is determined that unscheduled flows should be modeled in the FNM used for the IFM, the CRR SFT will be modified to be consistent with the FNM modeling." [BPM provision could not be found in Tariff and warrants inclusion.]	Section 27.5.1 is clear that in the FNM the Scheduling Points on the boundaries of the CAISO Control Area are modeled radially except as noted in 27.5.3. The tariff is clear (36.4) that the CAISO will use most up to date FNM in CRR Allocation and Auction process.
WPTF	B.1.1.5	"The data that is provided by the PTOs for planned outages will include the identification of the transmission facilities and the planned start and end dates of the outage or de-rate of the facility. For each facility that is actually out of service over a given period of time, the CAISO has the option to either remove this facility from the FNM or de-rate the facility or a corresponding constraint by some value through the associated constraint limit value....The requirement for PTOs to provide scheduled outage information to the ISO is stated in Paragraph 1333 of the September 21, 2006 FERC Order." [These are important terms and conditions and specifies a requirement. Should be in tariff.]	See Section 36.4 of the Tariff.
WPTF	B.1.1.5	"The CAISO is in the process of developing criteria for modifying the FNM topology and modifying constraint limits based on scheduled outages and de-rates." [Needs to be included in the Tariff as it has the potential to significantly affect the outcome of the CRR allocation and/or auction processes.]	To be addressed in the subsequent credit filing later this year.
WPTF	B.1.1.5	"ISO will announce these adjustments to the market prior to	See Section 36.4.2.

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CONGESTION REVENUE RIGHTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		conducting the monthly CRR Allocation and CRR Auction so that Candidate CRR Holders can take these facts into consideration in preparing their nominations and bids." [BPM provision could not be found in Tariff and warrants inclusion.]	
WPTF	B.1.2	[It seems the ISO is "derating" the transmission lines for inaccuracies in the DC representation, (e.g. no VAR, etc.). This should be in the BPM and inserted -at least generally - into the Tariff.]	Information regarding conversion of AC FNM to DC FNM is appropriate for the BPM and it has an appropriate tariff reference in Section 36.4.
WPTF	B.2	[These need to be provided as part of the FNM-related information. The ISO's process for determining these is generally explained in the BPM, but if Market Participants cannot find the ultimate result, there is little they can do with the FNM info otherwise provided. The tariff needs to include a requirement that the ISO provide these to parties qualified to have the FNM info.]	The SFT for CRRs uses the FNM and as described in section 27.5 enforces all network constraints. The level of detail in FNM to be provided to market participants is discussed in Section 1.2 of the FNM BPM: "The CAISO is currently reviewing the level of detail to be included in the model that will be made available to Market Participants, and will describe that detail in a future version of this BPM."
WPTF	B.3	[These need to be provided as part of the FNM-related information. The ISO's process for determining these is generally explained in the BPM, but if Market Participants cannot find the ultimate result, there is little they can do with the FNM info otherwise provided. The tariff needs to include a requirement that the ISO provide these to parties qualified to have the FNM info.]	BPM cites to appropriate tariff authority in Section B.3. Appropriate level of detail is already in Section 6.5.1.1.
WPTF	B.4	[There needs to be general provisions in tariff that codify these modeling mechanisms.]	BPM says "CASIO will need to determine how to model transmission rights" (i.e., ETC, TORs, and CVRs) based on consultations with the respective transmission owners. Tariff authority in section 36.4 addresses this in part. Also the recent TRTC filing has as its purpose obtaining the requisite information to model these rights. These are to be made available to participants pursuant to a Non Disclosure Agreement as provided in Section 6.5.1.1.1 as the constraints. The CAISO will clarify this in its upcoming filing.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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BPM FOR MANAGING FULL NETWORK MODEL

MANAGING FULL NETWORK MODEL			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	2.2	"The components of the FNM that are input into the CRR Allocation and Auction process are... Commercial data..."[What does this mean? This is so general that it is impossible to tell what the tariff impacts, if any, may be.]	Section 2.1 of the FNM BPM states: "The FNM includes a combination of physical network data and commercial data needed to support the needs of these Markets." In this context, "commercial data" means the data described by the FNM BPM that is not physical network data.
WPTF	2.2	Note that the BPM and tariff do not, but should, mention the fact that lines are derated by some amount as a result of the conversion process. For example, the dry run process derated the lines to 97% to adjust for "losses and reactive" elements. (see http://www.caiso.com/18ae/18ae8b2e5bdf0ex.html)	These adjustments involve how the FNM is used in conducting the CRR allocation and auction (not how the FNM itself is structured), and are addressed in the BPM for CRRs. As the BPM for CRRs is revised, the CAISO will review the need for additional information.
WPTF	2.2	Note that the BPM and tariff do not, but should, mention the fact that lines are derated by some amount as a result of the conversion process. For example, the dry run process derated the lines to 97% to adjust for "losses and reactive" elements. (see http://www.caiso.com/18ae/18ae8b2e5bdf0ex.html)	These adjustments involve how the FNM is used in conducting the CRR allocation and auction (not how the FNM itself is structured), and are addressed in the BPM for CRRs. As the BPM for CRRs is revised, the CAISO will review the need for additional information.
WPTF	2.3	"The following discussion summarizes the current process for gaining access to the CRR FNM for CRR Allocation and Auctions. Since this process may change from time to time, please refer to the latest version of the process, which can be accessed using the following link: This link to be added in a future draft. The process now in place for a Market Participant to obtain the CRR FNM is as follows..." [This needs to be in the Tariff as it restricts access to non-employee agents of market participants, including a distinction of on-site use vs. off-site use, without any valid basis for this restriction.]	No Tariff language is needed. The BPM contains the appropriate level of detail.
WPTF	3.1.2 (S/B 3.1.3)	"There is however, a potential complication posed by loop flows, especially when the MSS system has more than one interconnection point that forms a loop with the CAISO Controlled Grid. In this case even if the net interchange Power with CAISO is 0 MW, the nodal	No Tariff language is needed. The BPM contains the appropriate level of detail.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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Stakeholder	BPM Section	MANAGING FULL NETWORK MODEL Stakeholder Comment	CAISO Response
		prices within their system can be different due to the loop flow at the different points of the interface, which may impact MSS settlements." [This was not found in the Tariff and should be indicated therein.]	
WPTF	3.1.4	"Certain external loops are modeled, ones where multiple intertie lines form a branch group. An example of these loops is the Arizona loop at Palo Verde and Hassayampa." [Information stating the specific lines needs to be included in the Tariff, and the Tariff must also include that they are not radial.]	No Tariff language is needed. The BPM contains the appropriate level of detail.
WPTF	3.1.5	"The radial model that is used for External Control Areas described in section 3.1.4 is not sufficiently accurate for Embedded Control Areas (ECAs) and Adjacent Control Areas (ACAs). ECAs and ACAs cannot be ignored in the FNM because their transmission network is embedded and/or runs in parallel with major parts of the CAISO network, thus having significant impact on the operation of the grid. Loop flow through the ECAs/ACAs is significant and has a large impact on the optimal resource scheduling and LMPs. Furthermore, the contingency analysis requires an accurate model for ECAs/ACAs, otherwise its results would be erroneous and useless. For these reasons, ECAs/ACAs must be modeled accurately in the FNM, which presents several challenges, not only in the IFM/RTM System, but also in the coordination of scheduling information between the ECAs/ACAs and the CAISO....It is planned that consistent with the CAISO's Reliability model, the physical portion of FNM may include the full model for the above control areas." [The tariff should specify which control areas are included and which are non-inclusive of the FNM, as well as which external ones are modeled with radial lines and which are modeled with loops.]	No Tariff language is needed. The BPM contains the appropriate level of detail.
WPTF	3.3.1.1	"Energy does not provide counter-flow for AS capacity when the Demands for transmission are in opposite directions" [Seems like	The formulation of the market optimization function is a subject of the BPM for Market Operations. The description in Section

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MANAGING FULL NETWORK MODEL			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		tariff said that AS does not provide counter flow for Energy, but it should also address this.]	3.3.1.1 of the FNM BPM of the interaction between the FNM and the market optimization function is consistent with the description in the BPM for Market Optimization, such as its Section A.1.5.3.3, Branch Group Energy-AS Constraints.
WPTF	3.3.1.3	"Distributed slack bus" [Tariff should reference use of the slack bus even if details about its derivation are not presented.]	The use of the distributed Reference Bus is already described in Sections 27.1.1.1 and 27.1.1.2 of the MRTU Tariff.
WPTF	4.2.2.1	"LDFs for Load Zones and Generation Distribution Factors (GDFs) for Trading Hubs are stable/static for a period of time, while LDFs for the RUC process may be revised more frequently to accurately represent requirements for unit commitment. All LDF values are time dependent. Despite the differences in their calculation and uses, all types of LDFs have a similar structure for their content and may be contained in a single table structure. For example, the LDFs for the RUC process can be updated in the Day Ahead market, which can use hourly values of the LDFs to reflect variations of the hourly load levels." [This should be further specified and included in the tariff.]	No Tariff language is needed. The BPM contains the appropriate level of detail.
WPTF	4.2.3.1.2	"Bidding is performed on a net Power output basis at the POR (which may or may not be the net Power). As reflected in MRTU Tariff Section 10.2.7 and other related Sections, the Meter Service Agreement establishes the PNode and CAISO Controlled Grid interface for CAISO Metered Entities....This section contains a number of parameters. These parameters are set by the CAISO based on analysis of network characteristics. Their values are reviewed when the configuration of generators' interconnections with the CAISO Controlled Grid changes, or when the CAISO otherwise determines that changes in nearby network configurations may have changed sufficiently to affect the parameters' values." [Tariff Section 10.2.7 does not discuss how the ISO and the SC arrive at a representation regarding what is modeled in the CAISO grid and what is not. There seems to be no tariff provisions that address the implications of certain modeling representations and the resulting	MRTU Tariff Section 10.2.7 and related sections contain the requirement that the PNode be established by the Meter Service Agreement, as stated in FNM BPM Section 4.2.3.1.2. Requirements for interconnection of Generating Units and generating facilities to the CAISO Controlled Grid are contained in Section 25 of the MRTU Tariff. The requirements for generation interconnection are based on the facilities that comprise the CAISO Controlled Grid, and are not the outcome of considering alternative pricing outcomes.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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MANAGING FULL NETWORK MODEL			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		pricing outcomes. It is important to address given that under the pre-MRTU design the representation may have no impact on resulting dispatch and pricing whereas under a nodal pricing structure it may.]	
WPTF	4.2.3.2	"Whether a generation resource will be scheduled as an individual unit or in an aggregate configuration is determined when the Generator applies to interconnect to the grid." [It is unclear if this determination can be re-considered in the move to MRTU given that generators now already have interconnection agreements. This needs to be clarified and the procedure included in the tariff such that existing interconnected generators have a means to request aggregate treatment or individual treatment.]	The referenced language does not indicate that implementation of MRTU is an opportunity to change existing interconnection agreements. The opportunities for existing interconnected generators to change treatment remain the same, which is to demonstrate that the generators meet the CAISO Tariff's requirements for Physical Scheduling Plants or System Units.
WPTF	4.2.3.2 (S/B 4.2.3.2.1)	"It is the responsibility of the SC that represents the combined cycle Generating Unit to select the operating mode and submit appropriate three-part Bids and inter-temporal constraints for the corresponding resource ID." [This needs to be in the tariff and the implications made more explicit, especially given the limited representation the ISO has to modeling combined cycle units in MRTU Release 1.]	No Tariff language is needed. The BPM contains the appropriate level of detail.
WPTF	4.2.3.2 (S/B 4.2.3.2.1)	"The combined cycle unit model may have station auxiliary Loads modeled....Settlements for uninstructed deviations apply to the aggregated resource that is used in scheduling, not to the individual components of an aggregated generating resource." [Treatment of auxiliary loads needs to be in the tariff as it has settlements implications.]	The Tariff already discusses the treatment of auxiliary Loads and settlement of aggregated resources, for example, MRTU Tariff Section 10.1.3 discusses netting of Generating Unit output and auxiliary Load equipment. See also the BPM for Settlements & Billing for additional information.
WPTF	4.2.3.5	"To be added in a future draft." [We cannot assess the tariff impact without the BPM language.]	These BPM provisions are still under development. CAISO will consider any proposed changes to the Tariff once these provisions are finalized.
WPTF	4.2.3.7	"Under the alternative approach, the Aggregated Participating Load can is eligible to provide Non –Spinning Reserve (on a contingency basis) provided that metering and network topology support this	No Tariff language is needed. The BPM contains the appropriate level of detail.

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MANAGING FULL NETWORK MODEL			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		approach. Under this alternative approach, the Aggregated Participating Load uses Energy bids similar to Non-Participating Load (ten segment energy only bid curve, etc.)." [These approaches are not outlined in the tariff and need to be.]	
WPTF	4.2.3.7	"An aggregated Participating Load is a collection of nodal Participating Loads that may to be aggregated if the individual Loads are under 1 MW or are located at the same bus, or may be approved by the CAISO on a case-by-case basis within specified geographic areas." [Need to have clearer definitions and/or conditions and these need to be in tariff.]	No Tariff language is needed. The BPM contains the appropriate level of detail.
WPTF	4.2.3.7	[This section contains a lot of detail about how generators are modeled including the use of an aggregate distribution factor. It is presumed that this has financial implications for the treatment of network of generators. The tariff should incorporate a high level version of this information including the relevance to financial settlements and treatment of schedules.]	No Tariff language is needed. The BPM contains the appropriate level of detail.
WPTF	4.2.4.6	[This section (see footnote 33) suggests that Remedial Action Schemes (RAS) have not yet been made available as part of the network model.] "The RASs are owned by PTOs, and as a result details regarding their design and operation are released on terms determined by the PTOs. The CAISO will implement the RAS for reliability purposes and determine appropriate transmission limits based on the RAS status, but will not post the RAS information on the CAISO website". [The section also suggests that the RAS may impact the constraints or contingencies (which were provided as part of the network model information). The tariff should mention these RAS schemes and offer that such schemes will be made available to Market Participants as part of the set of network model information. At a minimum, the tariff should indicate that the CAISO will indicate any constraints or monitored facilities that are managed by way of RAS and so annotate these within the network model	Footnote 33 explains why details regarding RAS are proprietary information of the PTOs and cannot be unilaterally produced by the CAISO. In addition, the operation of RAS is a matter of real-time system operations, not static network topology as is contained in the CRR FNM. For these reasons, the requested Tariff change is not appropriate. Please note that FNM BPM Section 4.2.4.6 already explains how RAS interact with transmission limits used in running the CAISO Markets: the implementation of RAS is determined by system reliability needs and does not consider market pricing as a condition, and the CAISO's operators consider the impact of RAS in setting the transmission limits that are used for market purposes.

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		information provided to Market Participants, and this should be so indicated in the tariff.]	
WPTF	4.2.5.1	"Representative values of Branch Group ratings are contained in the CRR FNM that is released under Section 6.5.1.1 of the MRTU tariff, as described in Section 2.2. For major Branch Groups such as interties and Paths 15 and 26, updates of Branch Group ratings will be made available through the CAISO OASIS." [It is unclear what limits for Path 15 and Path 26 will be used in the CRR SFT, given that the OASIS postings are dynamic (e.g., can change daily) and no limits are provided in the network model info. These are important interfaces and this should be clarified in the tariff, as well in the BPM.]	The determination of representative values of branch group ratings is performed during the use of the FNM in the CRR allocation and auction, as described in the BPM for CRRs, instead of in the preparation of the FNM as described in the FNM BPM. This process is described in Section B.2 of the BPM for CRRs.
WPTF	4.2.5.2	"From the IFM/RTM system applications perspective, UDC losses for each relevant UDC service area (or zone) within California that is not itself part of an MSS (e.g., PG&E, Azusa, Modesto Irrigation District, etc.) are calculated <i>for the first Dispatch interval</i> of the Real-Time Market Dispatch execution." (<i>Emphasis added.</i>) [It is unclear the implications of the statement. That needs to be understood and reflected in the tariff.]	The role of calculated losses in operation of the CAISO Markets is discussed in the BPM for Market Operations, for example, Section 3.1.6, Losses. The treatment of losses is also already described in several sections of the MRTU Tariff, in particular Section 11.5.3, Unaccounted For Energy *UFE and Section 27.1.1.2, Marginal Cost of Losses.
WPTF	4.2.5.3	"A DCA is a set of network nodes that would be used for purposes of setting different conduct and impact thresholds for different areas of the network." [Given that the tariff discussions competitive and non-competitive constraints, the relationship between the constraints mentioned in the Tariff and the "set of nodes" mentioned here is unclear and needs to be resolved and reflected in the tariff language. How for example, does the ISO arrive upon a set of nodes from an analysis that finds constraints, and how does the ISO use the "set of nodes"?	As stated in Section 4.2.5.3 of the FNM BPM, the CAISO Department of Market Monitoring will determine the definition of DCAs, and the CAISO will publish DCAs to Market Participants in advance of their implementation.
WPTF	4.2.5.6	"For an MSS, internal MSS transmission constraints are monitored but not enforced by the IFM/RTM system. (The mechanism for	No Tariff language is needed. The BPM contains the appropriate

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		accomplishing this is the FNM exception list)". [The tariff needs to indicate that this FNM is available as part of the network model information or otherwise state how Market Participants can access the FNM exception list.]	level of detail.
WPTF	4.2.6.1	"The Imperial Irrigation District (IID), which is also interconnected with Arizona Public Service, and the Los Angeles Department of Water and Power (LADWP), which has several interconnections, also have the characteristics of ACAs and may be modeled as such. Other areas may be added as the CAISO develops sufficient modeling information....Loop flow through the ECAs/ACAs is significant and has a large impact on the optimal resource scheduling and the Locational Marginal Prices (LMPs) in the CAISO's MRTU Market." [Details on timing, what stakeholder process will ensue, and what notification and specification will be provided needs to be in tariff.]	Additional information will be included in the BPM. No Tariff language is needed.
WPTF	4.2.6.1	"The base case Generation pattern in the Forward Markets is obtained by scaling the Generators according to GDFs to meet the Load and net-interchange values between the ECA/ACA and external Control Areas. The detailed manner in which modeling is handled on any particular ECA of ACA is set forth in an agreement between the CAISO and the ECA or ACA." [The tariff needs to indicate how, or if these details can be obtained by the balance of market participants - be it through public posting or some other mechanism.]	At this time, there are no ECA or ACA agreements with other Control Areas. Calculation of the base case Generation pattern for an ECA or ACA will be a function of conditions within an area that is not part of the CAISO Control Area, and we anticipate that the CAISO's receipt of such information will subject to confidentiality agreements that prohibit the type disclosure suggested in this comment.
WPTF	4.2.7.1.2	"Operating procedures that include Nomogram limits that are available to the public can be accessed at the CAISO web site" [The tariff needs to indicate this, as well as the mechanism used for obtaining any others, be it through the network model information or otherwise.]	No additional Tariff language is necessary. Operating procedures that the CAISO has not made publicly available contain information that is confidential to the party that provided the information to the CAISO, has system security implications, or is sensitive market information. To the extent that the restricted operating procedures describe transmission constraints that are enforced in the allocation and auction of CRRs, those constraints

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			are described in the CRR FNM. CAISO determinations of transmission constraints that are applicable for periods of limited duration constitute real-time operating data and are not part of the CRR FNM.
WPTF	4.2.7.1.2	"The FNM contains a definition of the SCIT Nomogram and storage for time-dependent values of the SCIT limit. In the Day-Ahead Market, the CAISO's operators will need to use judgment based on recent conditions to enter values for EOR flow and committed inertia into a calculation of hourly values for the SCIT limit. In the Real-Time Market, these assumptions will be updated based on current conditions and judgment concerning changes to the current conditions during the time horizon for the current market run...Because of the nonlinearity of these relationships and the inability of the CAISO to manage multiple inputs to the Nomogram, it is not accounted for automatically in the FNM. Instead, CAISO operators must use the Nomogram to develop specific limits such as the California Oregon Intertie (COI) limit, as well as manually monitoring the AC/DC Nomogram for North-to-South Flow in Real-Time to insure reliability.". [The tariff should indicate how market participants can know the result of these determinations on both a forward basis (what is used in the CRR processes) as well as on a DA and HASP basis.]	The CRR FNM that is released pursuant to Section 6.5.1.1 of the MRTU Tariff will contain the limits that are enforced in the CRR allocation and auction, as described in Section 6.5.1.1. Pursuant to Section 6.5.2.1, the CAISO will use OASIS to publish OTC and ATC for WECC paths within the CAISO Controlled Grid and for interconnections with external Control Areas. Other transmission constraints that are applicable for periods of limited duration constitute real-time operating data and are not part of the CRR FNM.
WPTF	5	[The tariff should indicate the process for communicating anticipated changes to Market Participants, for providing new network model information to Market Participants, and the timing associated with both and with establishment of the effective date.]	The requirements for providing FNM data to Market Participants are described in Section 6.5.1 of the MRTU Tariff. The process for providing the FNM data is described in Section 2.3 of the FNM BPM.
WPTF	5.2.2	"It includes the following information and data for the new participating generation. It will be critical for the Market Participants to review all documents and fill in all required data and information in order to keep the ISO FNM process up to date." [Neither a list of items nor a complete set of items could be located in tariff. Informational required for interconnection should be added to the	No Tariff language is needed. The BPM contains the appropriate level of detail.

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		Stakeholder Comment	
		tariff.]	
WPTF	5.2.3	"The new TR will also provide PTOs and ISO Administrators with the ability to group and share transmission components to assist in finding limiting components. When this interface is completed this BPM will be updated to include its business processes." [Tariff impacts cannot be assessed until the information is provided in the BPM or an associated link.]	These BPM provisions are still under development. CAISO will consider any proposed changes to the Tariff once these provisions are finalized.
WPTF	5.2.5.1	"The Resource Data template (RDT) is used by CAISO to collect Generating Unit operating characteristics and parameters. Generators must complete and submit this template for new Generating Units to ResourceData@caiso.com for review and entry into CAISO's market system as part of the Generator Interconnection Process....The RDT for use with MRTU is under development. Basically, it will include all of the RDT data components that are in the current RDT plus additional data components for the MRTU market applications. As far as the timing of updating data, once the data processed via the RDT has been approved, it will be used in an internal CAISO process to test and integrate with other changes to the FNM. It is expected that the average change submitted will be reflected in the FNM within 3 to 5 days. Larger changes may take more time to test and integrate and therefore will take more than 3 to 5 days between approval and implementation. " [No such tariff requirement for completing the Resource Data Template can be found. These requirements should be in the tariff, as should the general timing expectations. The required data requirements should be fully specified before tariff impacts can be fully assessed.]	No Tariff language is needed. The BPM contains the appropriate level of detail.
WPTF	5.2.6	"SMDM is the market data used for the IFM/RTM. The Supplemental Market Data Management (SMDM) is key input for developing the Full Network Model." [The tariff, as well as the BPM, should specify how Market Participants can access this data and be notified of updates.]	The provisions for Market Participant access to FNM data are contained in Section 6.5.1 of the MRTU Tariff.

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WPTF	5.3	"This section describes the data and process that is expected from the Market Participants to support the FNM. " [Any data requirements should be specified in the tariff. As currently written, this BPM section makes it very difficult to determine the specific obligations of a Market Participants. The ultimate requirements should be separated from the commentary and specified in the tariff. Specific language should be used such as "Generators must provide..." as opposed to the existing language in the BPM that leaves obligations ambiguous such as "The CAISO needs..."]	No Tariff language is needed. The BPM contains the appropriate level of detail.

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SETTLEMENTS AND BILLING BPM

Commenting Stakeholder	BPM Section	SETTLEMENTS AND BILLING BPM Stakeholder Comment	CAISO Response
	General	The settlements BPM seem to have details that are not in the tariff language	Correct. The purpose of the BPM is to provide the details that are supported by Tariff language.
	General	It is essential to link the charge types to the tariff provisions. Can the ISO include the Tariff references to Exhibit 8-2?	This can be provided. Please note that calculation logic may significantly change despite the “relationship” between the old and the new Charge Code. In addition to the SaMC Interface Specification document already posted on the web, the Settlements BPM team will provide both the relationship diagram requested under item #147 and the Charge Code “cross-reference” list from current vs. MRTU Charge Codes requested under item #15 and #170 sooner than the training sessions. These documents are being provided in conjunction with the first set of Settlements & Billing BPM responses.
	16.2.1	Payment of Forecasting Fee “A fee to defray the costs of the implementation of the forecasting service for Participating Intermittent Resources shall be assessed to Schedule Coordinators for Participating Intermittent Resources as specified in Schedule 4 of Appendix F.” CAISO Tariff Appendix F - Schedule 4 - Participating Intermittent Resources Forecasting Fee. "A charge up to \$.10 per MWh shall be assessed on the metered Energy from Participating Intermittent Resources. The amount of the charge shall be specified in the CAISO Tariff." Comment: The tariff does not state when this "fee to defray the costs of the implementation of the forecasting service" will end. It can go on indefinitely. There should be an end once the forecasting service is implemented. The tariff should state if the fee is to continue to keep the service running.	The application of this fee will not end; it shall be assessed as long as the forecasting service is provided. The use of the term “implementation” is meant to imply the ongoing execution, not just the initial start up of the service. The CAISO does not intend to modify the CAISO Tariff language at this time.
	General	Statement made by SCE indicating their belief that Settlement calculations belong in the Tariff.	So noted.
		Business Rule ID 2.3 located within section 10.2.3.1.1 of the Settlement and Billing BPM states that Residual Imbalance Energy	This business rule is consistent with the CAISO MRTU Tariff. The statement quoted from section 34.16.4 does state that Residual

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		(RIE) is settled as the product of RIE quantities and associated bid price. This business rule appears to be inconsistent with MRTU Tariff language in section 34.16.4, which states that Residual Imbalance Energy is settled as "Instructed Imbalance Energy and may be eligible for recovery of its applicable Energy Bid costs..."	Imbalance Energy is Settled as Instructed Imbalance Energy; the CAISO MRTU Tariff also states (in section 11.5.1.1) that Instructed Imbalance Energy is calculated as "the sum of the Settlement Amounts for the Standing Ramping Energy, MSS Load Following Energy [and]...Residual Imbalance Energy..." Therefore, in order to determine the Settlement Amount for Instructed Imbalance Energy (IIE), the Settlement Amount for each component of IIE must be calculated. The Residual Imbalance Energy Settlement Amount component is calculated as indicated in business rule 2.3.
SCE	10	Is the CAISO going to correctly alphabetize "Measured Demand"? Related to Section 10 (Measured Demand).	Yes, the CAISO will correctly alphabetize Measured Demand in the Master Definitions supplement to the CAISO Tariff in a clean up filing before MRTU start-up.
WPTF		"Must Offer (Resource Adequacy) Generators have up to one (1) year to submit NOx Emissions Cost Invoices to the CAISO for reimbursement. " Tariff 11.18.6 does not reference the 1 year limitation: "Scheduling Coordinators for Generators eligible for Bid Cost Recovery that incur Emissions Costs during a CAISO Commitment Period may submit to the CAISO an invoice in the form specified on the CAISO Website (the "Emissions Cost Invoice") for the recovery of such Emissions Costs." Further the CG business rules state: "If payment due to a single SC is greater than amount available in the emissions cost trust account, no Emissions Cost Payment will be processed." and "If the sum of all payments due to multiple SCs for the same period is greater than amount available in the emissions cost trust account, but individual components of payment amount (by SC) are less than amount available in the emissions cost trust account, Emissions Cost Payment will be made in order based upon receipt of Emissions Cost Invoice up to the amount in the emissions cost trust account.	The CAISO will clarify and reconcile differences between the CAISO Tariff and BPM Configuration Guide on this topic.
WPTF	CG 6124, 6224, 6524, 6624 AS No Pay 2.2, 3.1	Note, text is shown for the Non-spinning reserve charge CG, but the same issue applies to all. "The No Pay [Non-Spinning Reserve] Price used in the No Pay charge is calculated as the weighted average of	The CAISO will be providing edits to the CAISO Tariff to address these inconsistencies.

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		the Non-Spinning Reserve ASMPs across all Day Ahead IFM, HASP, and Real-Time markets....The No Pay Non-Spinning Reserve Price used in the No Pay charge is calculated as the weighted average of the Non-Spinning Reserve ASMPs across Day Ahead IFM, HASP, and Real-Time AS markets. The weighting factors are Awarded Non-Spinning Bid in each AS markets." Tariff section referenced by S&B Attachment E, 8.10.8, refers to payment "recission" and does not reflect the fact that the no pay amount will be based upon the weighted average price across all three AS markets (DA, HASP, RT). The ISO market a tariff filing reflecting this BPM approach.	
	General	It is essential to link the charge types to the tariff provisions. Can the ISO include the Tariff references to Exhibit 8-2?	A mapping to the Tariff is under development.
TANC	2.3.2	Section 1.2 describes the purpose of the BPM as including, among other things, "a detailed review of the settlement calculations including a description of the approach and a listing of the formulas used in calculations." As these items are necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff, TANC submits that all sections of the BPM for Settlements and Billing that contain formulas and calculations used in settlements and billing must be moved to the CAISO Tariff, including, Section 2.3.2.	This material describes how the charge codes are developed to implement the settlement principles reflected in the tariff for each charge and payment settled by the CAISO. The CAISO believes that the background material is instructive for how these are developed, but does not believe that this material should be in the tariff as it is instructive and not determinative of what the settlement principles, which already are reflected in the tariff. If there is a specific settlement requirement for a specific charge or payment that the stakeholder believes is in these sections but not reflected in the settlements principles in the tariff already, the stakeholder should bring forth those specific requests.
TANC	2.3.3	Section 1.2 describes the purpose of the BPM as including, among other things, "a detailed review of the settlement calculations including a description of the approach and a listing of the formulas used in calculations." As these items are necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff, TANC submits that all sections of the BPM for Settlements and Billing that contain formulas and calculations used in settlements and billing must be moved to the CAISO Tariff, including, Section 2.3.3.	This material describes how the charge codes are developed to implement the settlement principles reflected in the tariff for each charge and payment settled by the CAISO. The CAISO believes that the background material is instructive for how these are developed, but does not believe that this material should be in the tariff as it is instructive and not determinative of what the settlement principles, which already are reflected in the tariff. If there is a specific settlement requirement for a specific charge or payment that the stakeholder believes is in these sections but not

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			reflected in the settlements principles in the tariff already, the stakeholder should bring forth those specific requests.
TANC	2.3.4	Section 1.2 describes the purpose of the BPM as including, among other things, “a detailed review of the settlement calculations including a description of the approach and a listing of the formulas used in calculations.” As these items are necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff, TANC submits that all sections of the BPM for Settlements and Billing that contain formulas and calculations used in settlements and billing must be moved to the CAISO Tariff, including, Section 2.3.4.	This material describes how the charge codes are developed to implement the settlement principles reflected in the tariff for each charge and payment settled by the CAISO. The CAISO believes that the background material is instructive for how these are developed, but does not believe that this material should be in the tariff as it is instructive and not determinative of what the settlement principles, which already are reflected in the tariff. If there is a specific settlement requirement for a specific charge or payment that the stakeholder believes is in these sections but not reflected in the settlements principles in the tariff already, the stakeholder should bring forth those specific requests.
TANC	2.3.5	Section 1.2 describes the purpose of the BPM as including, among other things, “a detailed review of the settlement calculations including a description of the approach and a listing of the formulas used in calculations.” As these items are necessary to understand the rates, terms and conditions of CAISO service under the CAISO Tariff, TANC submits that all sections of the BPM for Settlements and Billing that contain formulas and calculations used in settlements and billing must be moved to the CAISO Tariff, including, Section 2.3.5.	This material describes how the charge codes are developed to implement the settlement principles reflected in the tariff for each charge and payment settled by the CAISO. The CAISO believes that the background material is instructive for how these are developed, but does not believe that this material should be in the tariff as it is instructive and not determinative of what the settlement principles, which already are reflected in the tariff. If there is a specific settlement requirement for a specific charge or payment that the stakeholder believes is in these sections but not reflected in the settlements principles in the tariff already, the stakeholder should bring forth those specific requests.
SCE		The ISO Tariff defines “Excess Cost Payments” as “The Payments made to Condition 2 RMR Units in order to settle an Exceptional Dispatch”. But the usage of “Excess Cost” is much broader than that in the BPMs. What are Excess Cost Payments? Is the Tariff Definition incorrect? Relates to Section 12.3.2.1.	Settlement of Excess Costs Payments are defined in the tariff in Section 11.5.6.1.1, 11.5.6.2.3, 11.5.6.2.5, and 11.5.8.1.1. No further tariff language is necessary.
SCE		The allocation to multiple PTOs is based on the PTO’s TRRs. However, TRRs in effect at any time can differ from those ultimately approved by FERC. To avoid having to do multiple refunds for the same original costs, SCE recommends stating that the allocation is to be done based on TRRs in effect at any point in time (this would be	It is not clear that the requested change would change the result. At this time the CAISO is not contemplating adding such a statement since it is clear from the tariff Section 11.5.6.2.5.1 that the CAISO will the allocation based on the PTO’s TRR.

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		analogous to how any CRR over collection is distributed to PTOs on a yearly basis). SCE is not aware that this provision is in the Tariff; it should be. Will the CAISO be revising its Tariff and BPM to state that allocation to multiple PTOs will be based on TRRs in effect at any point in time. Relates to Section 12.2.4.2.	
NCPA		The Hourly Real-Time LAP Price described in section 11.5.2.2 (Hourly UIE Adjustment Amount) of the MRTU Tariff is inconsistent with the supplemental “Prepared Testimony of Farrokh Rahimi” document, which describes in detail how the Hourly Real Time LAP Price is calculated on lines 18-22 of page 71. Further, the settlement equations in the Settlements BPM (section 12.2.1.1.2) used for calculating the Hourly Real-Time LAP Price, are consistent with the tariff language. And yet, Dr. Rahimi’s description has become the basis for the calculations used in the Level 201 course MRTU Settlement training material. The equations and calculations used in the training material are inconsistent with both the MRTU tariff language in section 11.5.2.2 and section 12.2.1.1.2 of the Settlement BPM.	CAISO added tariff language to address these issues.
SCE		Unique material from the Background sections of all Charge Code and Pre-Calculation Configuration Guides presented by Charge Group as defined in Settlements & Billing BPM Attachment B, the entire Description section of all Charge Code and Pre-Calculation Configuration Guides, plus BPM Section 8, Understanding BPM Configuration Guides, belong in the Tariff.	This material describes how the charge codes are developed to implement the settlement principles reflected in the tariff for each charge and payment settled by the CAISO. The CAISO believes that the background material is instructive for how these charge codes are developed, but does not believe that this material should be in the tariff as it is instructive and not determinative of the settlement principles, which already are reflected in the tariff. If there is a specific settlement requirement for a specific charge or payment that the stakeholder believes is in these sections but not reflected in the settlements principles in the tariff already, the stakeholder should bring forth those specific requests.
SCE		The concept and settlement treatment of Real Time Operational Adjustments is not defined in the Tariff Section 11.5.	The CAISO added tariff language to address this issue.
WPTF	General	WPTF believes that a significant level of additional information must be added to the tariff in the area of the financial settlement of transactions under MRTU. This is evidenced by a number of factors	This material describes how the charge codes are developed to implement the settlement principles reflected in the tariff for each charge and payment settled by the CAISO. The CAISO believes

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		<p>including: the incredible gap between the quantity of settlement information - even at a descriptive level - in the tariff vs. that in the BPM and the configuration guides and the lack of depth in many areas for a reader to gather the methods of settlements from the language in the tariff. Information about the financial implication of the rules is one of the most critical aspects of the MRTU documentation and there must be sufficient information in the tariff to allow parties to conceptually understand the settlements implications. Even through a "spot check" WPTF has also identified a number of inconsistencies, in places where Tariff language exists, between the tariff and the BMP detail. WPTF has some general recommendations for efficiently closing the Tariff-BPM gaps. WPTF urges the ISO to consider adding further detail to the tariff descriptions of charges including information that is fairly readily available and appropriate from the BPM process within the Settlement Configuration Guides:</p> <ol style="list-style-type: none"> 1. Descriptive information from the narrative charge-specific descriptions in each configuration guide; these few paragraphs of information often contain useful descriptions; 2. A listing of the underlying parameters that make up the specific charge type; 3. A compilation of the business rules for each charge type. Within these three areas there exists a tremendous amount of information, in many cases already at a level appropriate for a tariff - namely without getting into formulaic details - that could be relative easily pulled up into the tariff. <p>We are hopeful that these recommendations are feasible and do not offer a significant workload burden to the ISO staff prior to start up. The balance of comments submitted are intended to exemplify the types of gaps in the settlements detail within the tariff produced from a review of a sampling of S&B data but are by no means comprehensive; the settlements information is incredibly voluminous and is distributed through many, many documents. It is not feasible to review all the detailed documentation during this review period.</p>	<p>that the background material is instructive for how these are developed, but does not believe that this material should be in the tariff as it is instructive and not determinative of what the settlement principles, which already are reflected in the tariff. If there is a specific settlement requirement for a specific charge or payment that the stakeholder believes is in these sections but not reflected in the settlements principles in the tariff already, the stakeholder should bring forth those specific requests.</p>
WPTF		"The TRR is the sum of the low voltage and high voltage	Given the new proposal with regard to LT CRR, this question is

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		Transmission Revenue Requirement components....This Charge Code should be recalculated and each eligible PTO's share reallocated or trued up each time there is a retroactive adjustment to an eligible PTO's TRR, which is FERC approved or recognized." Details are not in tariff and exemplify items that should be.	no longer relevant. Revisions to impacted BPM Configuration Guides will be posted as soon as they are available."

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RULES OF CONDUCT BPM

Commenting Stakeholder	BPM Section	RULES OF CONDUCT BPM Stakeholder Comment	CAISO Response
WPTF	2.2	A partial summary of behavior that may violate the Rules of Conduct and be subject to sanction under the CAISO Tariff can be found on the CAISO website:..." [This link includes the Enforcement Protocol sections, however, that protocol will likely be removed as a result of being replaced by this BPM, so it seems the provisions need to be otherwise captured and included in the tariff.]	Section 37 of CAISO Tariff will remain. Although Section 37 is titled "Enforcement Protocol," is isn't of the same nature as the other "protocols" that provide implementation details related to general requirements that are listed elsewhere in the main body of the tariff.
WPTF	3.2	"When DMM identifies a potential Rules of Conduct violation... ..if the results of the initial review reveal that a Rules of Conduct violation enforceable by DMM may have occurred." [The BPM does not lay out what the specific "Rules of Conduct" are so it is ambiguous as to what a "Rules of Conduct" violation is. Rather, this "Rules of Conduct" BPM seems to talk more about the DMM process than the review process such that a "Rules of Conduct" violation makes little sense. It needs to be made clear what type of violation applies for this process and then captured in the tariff.]	The Rules of Conduct are specified in Section 37 of the tariff, which will remain.
WPTF	3.2.1	BPM states: "DMM refers such matters to FERC as soon as it has sufficient credible information to warrant FERC's further investigation, rather than continuing its investigation until it is able to prove that a violation has occurred." Tariff section 37.8.2 states: "The Market Monitoring Unit shall refer to FERC and its staff all matters in which it has formed a reasonable belief that a violation of Section 37.7 may have occurred." [The tariff and BPM language should be made consistent, as the BPM makes it sound like DMM will report to FERC sooner in the process than is suggested by the Tariff.]	Section 3.2.1 has been modified appropriately.
WPTF	3.4.1	"DMM generally does not consider violations that resulted because of the lack of administrative controls in accordance with Good Utility Practice to be inadvertent or unintentional." [This phrase is not found in tariff and is significant enough to warrant inclusion.]	The CAISO has decided not to add this phrase to the tariff, because it would not change the standards under which penalty amounts are adjusted, and might restrict the ISO's ability to recommend leniency for Market Participants. The quoted phrase concerns Section 37.9.1, which reads in full: "Penalty amounts for violation of these Rules of Conduct shall be calculated as specified

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RULES OF CONDUCT BPM			
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			<p>in Section 37.2 through Section 37.7. A Sanction specified in this Section 37 may be modified by FERC when it determines that such adjustment is just and reasonable. The ISO may make a recommendation to FERC to modify a Sanction. An adjustment generally shall be deemed appropriate if the prescribed Sanction appears to be insufficient to deter the prohibited behavior, or if the circumstances suggest that the violation was inadvertent, unintentional, or some other mitigating circumstances exist.” The statement quoted above from the BPM concerns the DMM’s position about when it will recommend that FERC reduce a penalty on the ground that the violation was inadvertent or unintentional. Generally, DMM will not make such a recommendation if it believes that the violation resulted from the lack of proper administrative controls. This rule of thumb, however, does not affect when leniency will be granted, because any reduction in the penalty requires FERC approval. FERC will adjust a penalty when the change would be just and reasonable. As the tariff is currently written, Market Participants remain free to seek FERC review of any penalty. But if the language in question were added to the tariff, it might reduce the ISO’s right to recommend leniency. That would not be helpful to Market Participants, and is not necessary to ensure equal treatment of Market Participants because any such ISO recommendations would be filed at FERC and available to the public.</p>
WPTF	3.4.4.2	<p>"If a Scheduling Coordinator or a separate responsible Market Participant desires to appeal DMM’s determination that the tariff requires a financial penalty for a particular matter, the applicable Scheduling Coordinator must dispute the Initial Settlement Statement that includes the penalty charge within the eight business day dispute timeline specified in CAISO Tariff Section 11.7.2. In addition, a Scheduling Coordinator may dispute a penalty if they are unable to obtain payment from a separate Market Participant, as described in Section 3.4.4.3. If a Scheduling Coordinator disputes a charge, CAISO accepts the dispute and reverses the charge on a subsequent Initial Settlement Statement issued before the end of the</p>	<p>Section 3.4.4.2 has been modified to clarify the process for disputing a Sanction, as based on terms and conditions in the tariff.</p>

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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		RULES OF CONDUCT BPM	
Commenting Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		month. A Scheduling Coordinator that disputes a charge must provide DMM a copy of the appeal filed at FERC, with a second copy to ..." [This includes terms and conditions of how a dispute must be processed and should be filed in tariff and/or referred to standard settlement dispute processes as applicable.]	
WPTF		BPM states: "DMM retains copies of the notifications issued to Market Participants as long as required by the CAISO's Information Availability Policy. In addition, when a DMM investigation results in a Sanction, the DMM maintains its record of investigation until its decision has been finally reviewed, or until the period for seeking review has expired. The record of investigation includes all data that CAISO considered in its determination whether a) the Rules of Conduct were violated, b) any defenses or excuses offered by a Market Participant that were not satisfactory, c) any separate Market Participant was responsible for the violation, or d) the penalty specified in the tariff should be enhanced or reduced." Tariff section 37.9.8 states: "Where an investigation results in a Sanction, the Market Monitoring Unit will maintain a record of the investigation until its decision has been finally reviewed, if review is sought, or until the period for seeking review has expired." [Tariff and BPM language are significantly different and should be reconciled.]	The tariff and the BPM are consistent. The tariff describes the recordkeeping requirements only for situations when an investigation results in a Sanction, which are consistent with that described in the BPM for situations that result in a Sanction. The BPM also describes recordkeeping requirements for investigations that do not result in a Sanction -- this situation is not addressed in the tariff.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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OUTAGE MANAGEMENT BPM

Stakeholder	BPM Section	OUTAGE MANAGEMENT BPM Stakeholder Comment	CAISO Response
WPTF	3.2.1	Outage Plans submitted from the 1st of the month due to the 15th due date shall be considered as equal opportunity and be processed as described in CAISO operating procedure T-1 13 " [It is unclear what this has to do with the long-range plan, but if the CAISO is offering a policy on priority of plans it should be stated in the tariff.]	The process described for coordinating outage plans does not represent a change from today's practice. The process falls within the ISO's authority to coordinate outages conferred in Tariff Sections 9.1, 9.2, and 9.3.6 and does not require a new Tariff provision.
WPTF	3.2.1	Outages submitted between Long Range and Quarterly Updates shall be considered as 'First Come First Serve' priority." [It is unclear what this provision means given that it is included in the long-range plan section, but if the CAISO is offering a policy on priority (e.g., first come first served) of plans it should be in the tariff.]	The process described for coordinating updates to outage plans does not represent a change from today's practice. The process falls within the ISO's authority to coordinate outages conferred by Tariff Sections 9.1, 9.2, and 9.3.6 and does not require a new Tariff provision.
WPTF	3.2.1	If a previously approved outage is rescheduled by the equipment operator and the new schedule falls outside of the original requested date the original request priority will be lost and the reschedule will be considered as a new outage request." [This is not included in the tariff but conveys policy and therefore it should be.]	The process described for coordinating rescheduled outages does not represent a change from today's practice. The process falls within the ISO's authority to coordinate outages conferred by Tariff Sections 9.1, 9.2, 9.3.6, and 9.3.8, and does not require a new Tariff provision.
WPTF	3.2.1	"Status of outage requests shall be available to requester by 30 working days after the Long Range Outage Plan due date." [Not included in the tariff, but conveys CAISO obligation and should be.]	See Tariff Section 9.3.8.
WPTF	3.2.1	"All outages are reviewed on a weekly basis for reliability and changing system conditions. Outages may be rescheduled or cancelled due to changing system conditions." [Not included in the tariff, but conveys CAISO obligation and should be.]	See Tariff Section 9.3.6.8.
WPTF	3.5 and 4.1	"Once a request for a planned Generator Outage has been received by CAISO, CAISO provides a response to the requester within a period of one month as described in Section 4" (3.5) [Not included in the tariff, but conveys CAISO obligation and should be.]	See Tariff Section 9.3.8.

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OUTAGE MANAGEMENT BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	4.5.1	"Prioritization of all Outage requests are on a first-come, first-served basis, with the exception of those requests that are received as a part of the CAISO long-range planning process, from the 1st until the 15th of the month, which CAISO deems to have been received at the same time." [Similar provisions were not found in tariff. Priorities are significant and should be included in tariff.]	The process described for coordinating outage requests does not represent a change from today's practice. The process falls within the ISO's authority to coordinate outages conferred by Tariff Sections 9.1, 9.2, and 9.3.6, and does not require a new Tariff provision.
WPTF	4.8	[Pending mechanism is not included in tariff and needs to be.]	The CAISO does not believe additional detail in the Tariff is needed. Section 9.3.6 of the Tariff, and specifically Sections 9.3.6.7 and 9.3.6.8, provides that the CAISO Outage Coordination Office shall approve or reject requested Maintenance Outages. The references in the BPM to the "Pending State" simply clarify the CAISO's treatment of a requested Outage that has not been finally approved or denied by the Outage Coordination Office and do not alter the outage coordination process set forth in Section 9.3.6 of the Tariff.
WPTF	4.11	"On the day when an Approved Maintenance Outage is scheduled to commence, the Participating Generator or Participating TO must contact CAISO Control Center by phone to request Final Approval of the Approved Maintenance Outage." [This is a condition and should be in tariff.]	See Tariff Section 9.3.9.
WPTF	71.1	"CAISO publishes approved CAISO Controlled Grid facility or Interconnection Outages on its OASIS Website 30 days prior to the Outage." [Cannot locate this language in Section 9 of the tariff. If it is not included elsewhere it needs to be added.]	See FERC's OASIS requirements, 18 CFR Section 37.6.
WPTF		"Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the ISO. These reports are due to the ISO within 30 minutes of discovery, and are required only to include effective time and MW availability. Additionally, a more detailed Forced Outage Report is required for derates of 40 MW or 10% of Pmax (whichever is greater) lasting 15 minutes or longer, or if any resource is disconnected on an unplanned basis. These reports are due to the ISO within two business days of discovery." [These requirements cannot be found in tariff and should be included given that they convey obligations of a generation	The language in the BPM will be conformed to FERC's December 28, 2006 Outage Reporting Requirements Order, Docket No. ER07-1 27-000.

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OUTAGE MANAGEMENT BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		owner. It also raises the question of why there is no comparable requirement of transmission owners.]	

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RELIABILITY REQUIREMENTS

RELIABILITY REQUIREMENTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	3	If an LSE does not have historic metered data covering the foregoing period, the exemption will be unavailable." That makes no sense given that a new LSE should also be exempted until their load is greater than 1 MW. This requirement, as written or as revised should also be included in the tariff.	The CAISO believes the scope of the exemption is appropriate. The exemption should not be presumed simply because the LSE is "new," but rather on actual load served. A smaller LSE, otherwise subject to the exemption, will only be required to comply with Section 40 for one year until it can establish the basis for the exemption. This reflects what the CAISO believes to be the proper balance between the goals of resource adequacy and the administrative convenience of LSEs.
WPTF	3.1	Section 40 of the CAISO Tariff relating to resource adequacy applies to all Load Serving Entities, except a Load Serving Entity or LSE that has a metered peak Demand of less than one (1) MW during the twelve months preceding the date for electing LSE resource adequacy status, i.e., Reserve Sharing LSE or Modified Reserve Sharing LSE. [Compliance year goes on to be defined.] This needs to be resolved in the tariff.	The CAISO is unsure of the nature of the concern, but has attempted in the Tariff to clearly define how the exemption will be determined.
WPTF	40.2.4, 40.3	BPM States: "A SC for a Load-Following MSS is not required to make an election because only those sections relating to local capacity obligations (Section 40.3, et seq.), including the submission of an annual Resource Adequacy Plan (Section 40.2.4) apply to the Load-Following MSS. Tariff 40.1 states 'Each Scheduling Coordinator must inform the CAISO on an annual basis, in the manner and on the schedule set forth in the Business Practices Manual, whether each Load Serving Entity (LSE) for whom the Scheduling Coordinator submits Demand Bids'" BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	The Tariff does not conflict in that specific language will be control over general language and will be read to reach its intended and reasonable outcome. In this case, the CAISO believes the Tariff will accurately limit the scope of the obligation of a Load-Following MSS.
WPTF	3.1	Tariff sections referenced by these sections seem to be off relative to the Feb '06 tariff filing section numbers, and as a result the requirements in the BPM do not align with the tariff. This needs to be resolved and reflected in tariff.	The CAISO will review the BPM to ensure accurate references.
WPTF	3.4	"A Scheduling Coordinator for a Load-following MSS must	The CAISO is in the process of working with the Load-following

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RELIABILITY REQUIREMENTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		provide an annual Resource Adequacy Plan by September 20 th of each year and in a format set by CAISO." Also BPM references template that is not yet available, and thus there is no way to verify consistency with Tariff. BPM detail could not be located in February tariff and it warrants inclusion, needs to be reconciled and reflected in tariff.	MSS to develop an acceptable reporting template. The CAISO agrees that the information included in the template must be consistent with the scope of the Tariff. However, the Tariff includes sufficient detail to permit the Load-following MSS to understand its obligations and the BPM provides further and consistent information to guide expectations with respect to the submission of the annual Resource Adequacy Plan.
WPTF	3.5.3	Template seems to relate more to a supplier's plan than to an LSE's RA plan. Is this right template? Is this the same template an LSE and a supplier fill out? Does not seem consistent with informational content included in the tariff language for an RA plan. BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff.	This is the template for a LSE. It contains worksheets for the LSE to list all of the types of resources they may use to meet their Resource Adequacy Requirement. The CAISO disagrees that there is a conflict between the BPM and the Tariff.
WPTF	3.5.4	"The following is a list of potential validation issues that could cause a request for a corrected Resource Adequacy Plan... Note that this is not an exhaustive list of validation errors that may occur during the Resource Adequacy Plan validation". No validation or compliance requirements are specified in the section 40 of the tariff. The list included in the BPM is not inclusive. The requirements for validation should be specified in the tariff language.	The CAISO agrees that additional Tariff language is required to describe the CAISO's role in validating Resource Adequacy Plans. These process provisions have been added in Section 40.7 and are based on prior Commission approved language from the IRRP. The CAISO does not believe that the specific "requirements" for validation need to be included in the tariff for two reasons. First, the validation is performed by the CAISO primarily to identify potential deficiencies for communication to the SCs, CPUC or appropriate Local Regulatory Authorities for correction. The CAISO will not impose penalties based on the validation process, except as consistent with Section 37. Second, such details are more akin to business rules that need not be included in the Tariff.
WPTF	3.5.5	"Failure to provide all information, such as a Resource Adequacy Plan, that must be submitted to CAISO under the CAISO Tariff, CAISO Business Practice Manuals, or jurisdictional contracts must be submitted in a complete, accurate and timely manner. A responsible company official who is knowledgeable of the facts submitted must submit the Resource Adequacy Plan...CAISO may impose fines and/or	These details of the penalties are in Section 37 Rules of Conduct in the Tariff. This section serves as a reminder that these reports are subject to Section 37 if late or inaccurate.

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RELIABILITY REQUIREMENTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		sanctions with regard to late, incomplete or inaccurate Resource Adequacy Plan submittals. . . .Late filings are subject to a fine of \$500 per day...Incomplete or inaccurate filings may result in fines of \$2,500 for the first violation, \$5,000 for the second violation, and \$10,000 for subsequent violations as defined over a rolling twelve-month period". This should be included in tariff. Basis for levels of fines should be vetted. No provisions for fines are included in Section 40 of the tariff. These BPM details need to be included in tariff.	
WPTF	4.1	"Monthly Supply Plans are due on the last business day of the month, two months prior to the compliance month. The submittal schedule for monthly Supply Plans is located in Exhibit B-2." These details need to be included in the tariff.	The CAISO believes the BPM reflects the appropriate place for the level of detail relating to potentially variable obligation schedules.
WPTF	4.2	This section includes contract info, but that is not called for in tariff. BPM terms and conditions are important and should be included in tariff.	The CAISO believes that the BPM constitutes the appropriate place to define the detailed information that should be reflected in the Supply Plan template.
WPTF	4.3	[Validation requirements need to be tariff. See note for section 3.5.4; issue is same here.] No validation requirements found in Section 40. BPM terms and conditions are important and should be included in tariff.	The CAISO agrees that additional Tariff language is required to describe the CAISO's role in validating Resource Adequacy Plans. These process provisions have been added in Section 40.7 and are based on prior Commission approved language from the IRRP. The CAISO does not believe that the specific "requirements" for validation need to be included in the tariff for two reasons. First, the validation is performed by the CAISO primarily to identify potential deficiencies for communication to the SCs, CPUC or appropriate Local Regulatory Authorities for correction. The CAISO will not impose penalties based on the validation process, except as consistent with Section 37. Second, such details are more akin to business rules that need not be included in the Tariff.
WPTF	4.4	[Similar issue to that indicated under 3.5.5 applies here. Sanctions should be in the tariff.]	The details of the penalties are in Section 37 Rules of Conduct in the Tariff. This section serves as a reminder that these reports are subject to Section 37 if late or inaccurate.
TANC	7.1	Additionally, Section 7.1 is supposed to describe the criteria for the technical study for local capacity (see CAISO Tariff section	The CAISO will complete this section following submission of its

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RELIABILITY REQUIREMENTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		40.3.1). Such criteria is necessary for Market Participants to understand how the minimum amount of Local Capacity Area Resources are developed, and, as such, should be in the CAISO Tariff, not in BPMs that the CAISO does not intend to be subject to FERC acceptance and approval.	FERC compliance filing on this topic on or about August 3, 2007.
WPTF	7.2	[BPM provides for a sort of "self provision" of local RA that can even span local areas across a TAC area. This is not the in the tariff. And it raises the question if what if all the LSEs procured their local RA in one of two local RA areas, then who would supply or pay for the cost of the local RA in the other area?] These BPM details need to be included in tariff.	The Tariff does address the circumstance where LSE procurement is sufficient to meet obligations, but not the Applicable Reliability Criteria. (Section 42.1.8)
WPTF	5.1.1	[Template references the following criteria for QC: "As defined by the CPUC in D.04-1 0-035, incorporating the Resource Adequacy Workshop Report Section 5 and Appendix C, and in D.05-10- 042. Measured at the generator terminal. Under Summer Peak load conditions calculated as the 1 in 2 year maximum annual temperature to the extent ambient temperature is relevant to the resource type and/or qualifying capacity definition adopted by the CPUC." Yet tariff indicates that QC will be as determined by the CPUC or LRA. Thus the references shown herein would be expected to by dynamic should QC determinations change. Revise to remove specific references?] This needs to be resolved and reflected in tariff.	QC determinations are dictated by the CPUC and LRA. Under the CPUC's resource adequacy program QC is not dynamic during the upcoming compliance year. However, the CAISO agrees that the specific reference should be removed.
WPTF	5.1.3.5	"A resource whose output is subject to transmission constraints is not fully deliverable and the capacity that it may offer for resource adequacy purposes may be reduced." If this is an actual representation then it needs to be part of the deliverability requirements of the tariff. Otherwise this should be deleted or tightened. No parallel requirement exists in tariff. Detail needs to be incorporated into the tariff.	The CAISO agrees and has attempted to clarify that the constraint must inhibit deliverability under the conditions set forth in the deliverability study to result in a reduction in QC.
WPTF	5.1.3.5	"CAISO uses the deliverability analysis embodied in its Interconnection procedures to ensure that new Generation does not degrade the deliverability of existing resources. This mechanism tends to keep Net Qualifying Capacity ratings stable for a given existing resource. In a similar manner, the CAISO	In its May 12, 2006 Order on the CAISO's Interim Reliability Requirements Program, the Commission stated: "We direct the CAISO to modify proposed tariff section 40.5.2.1 to eliminate the apparent duty to prevent degradation of an existing unit's deliverability, and clarify that the interconnection process is

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RELIABILITY REQUIREMENTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		planning process attempts to insure that a new Transmission project will not degrade the deliverability of existing resources." Language is too soft. Will a new generator be allowed to degrade an existing generator's deliverability? This is a fundamental policy issue that needs to be in the tariff. No parallel requirement exists in the tariff.	governed by section 25 of the tariff." The current Tariff language is consistent with this prior Commission directive.
WPTF	6.1.2.3	"To the extent Resource Adequacy Resource Capacity is not scheduled for Energy or as a RUC scheduled in the DAM, such capacity may also be offered or bid in the Real-Time Market to support a Self-Scheduled export in HASP that would have an equal priority as the CAISO Forecast of CAISO Demand." Requirement to bid should be specified and reflected in Tariff.	The CAISO agrees that bidding or availability requirements must be in the Tariff. The CAISO believes that the Tariff has incorporated the intended availability obligations of Resource Adequacy Resources, which are accurately captured in the BPM.
WPTF	6.1.2.2(3)(a)	"If the Resource Adequacy Resource submits a Bid for Ancillary Service(s), the Energy Bid associated with the Resource Adequacy Resource and the bid for Ancillary Service will be optimized by the CAISO to determine if Energy should be schedule or Ancillary Service should be awarded." Tariff 6.1.2.2 states "If the Resource Adequacy Resource submits a Bid for Ancillary Service(s), the Energy Bid associated with the Bid for Ancillary Services will be optimized by the CAISO." It is not obvious in the tariff phrase "co-optimized" that the ISO intends to consider the AS bid as an energy bid, as opposed to - for example - considering the energy price in the optimization of the AS bid. The tariff would be much clearer if this language was used instead. Without revision the tariff is a bit misleading given the actual intent of the ISO. This needs to be resolved and reflected in tariff.	This appears to be more a criticism of the drafting of the Tariff than an omission in the Tariff vis-à-vis the BPM. The intent of the CAISO with regard to the term "optimization" will be made clear.
WPTF	6.1.2.4	Procedure is not specified or referenced in BPM. Procedure needs to be published to determine tariff implications. Tariff 6.1.2.4 states "The CAISO may waive these availability obligations for Short-Start Units not have not submitted a Bid or Self-Schedule or selected in the IFM or RUC based on the procedure published on the CAISO Website." BPM terms and conditions are important and should be included in tariff.	The CAISO agrees that more detail is needed with respect to the potential waiver process
WPTF	6.1.2.5.2	"The use plan is information provided to the CAISO to better plan	The effect of use plans on supplier obligations is sufficiently

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RELIABILITY REQUIREMENTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		out its operations – it is not intended to affect an LSE’s ability to count a Resource Adequacy Resource. However, the use plans should be consistent with the minimum counting criteria established by the CPUC or Local Regulatory Authority. If the use plan does not meet the minimum criteria, the CAISO would confer with the CPUC or Local Regulatory Authority regarding the suitability of such a resource as being offered as a Resource Adequacy resource." BPM detail and conditions could not be located in February tariff and it warrants inclusion in the tariff.	articulated in the Tariff. Additional detail on what type of resources may be considered and other criteria for determining Use-Limited Resources will be included in the BPM. The CAISO believes the ability to contest a CAISO determination on Use-Limited status through ADR procedures protects the supplier from unjust, unreasonable, or discriminatory treatment.
WPTF	6.1.6.1	Such exports that are sourced by Resource Adequacy Resource capacity are considered firm exports and as a result will not count as operating reserves for the CAISO. As a result, CAISO shall procure and maintain sufficient operating reserves without consideration of the firm exports regardless if the exports are being sourced by Resource Adequacy or non-Resource Adequacy Resource capacity. In the event such an export is curtailed, the CAISO will compensate the Scheduling Coordinator of the curtailed export at the applicable HASP LMP if the curtailment is performed during the HASP or at the Real-Time LMP associated with the export if the curtailment occurs at within Real-Time Operating Hour." These BPM details need to be included in tariff.	Additional Tariff language has been included on this subject.
WPTF	6.2.1	"Shall be those resources listed in the Modified Reserve Sharing LSEs monthly Resource Adequacy Plan, subject to the rules for substitution of resources (see Section 0)." Substitution elements needs to be included in the tariff.	Section 40.5.5 of the Tariff provides sufficient detail as to the requirements for resource substitution for a Modified Reserve Sharing LSE.
WPTF	6.2.4	"To the extent that the Scheduling Coordinator for the Modified Reserve Sharing LSE schedules imports on one or more Scheduling Points in an aggregate megawatt amount greater than its aggregate import deliverability allocation, the quantity of megawatts in excess of its import deliverability allocation do not count toward satisfying the Modified Reserve Sharing LSEs scheduling obligation, unless it clears the Day- Ahead Market." This suggests that a party can count import resources allocation so long as the clear the IFM? That seems odd. This needs to be clarified, resolved and reflected in tariff.	This provision permits a Modified Reserve Sharing LSE to meet its daily 115% scheduling requirement through imports that exceed its import capability allocation so long as those resources clear the DAM. Modified Reserve Sharing LSEs are permitted this opportunity given their daily, rather than forward, obligation and the risk of a surcharge for failure to provide sufficient resources in the Day-Ahead and Real-Time periods. Given that this is intended, no change to the tariff appears necessary.

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RELIABILITY REQUIREMENTS BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	6.2.4	"surcharge of three times the price of the relevant Day-Ahead Hourly LAP LMP in the amount of the shortfall." Tariff 6.2.4 states "of two times the average of the six (6) Settlement Interval LAP prices for the hour in the amount of the shortfall." BPM and Tariff language seem to conflict; need to reconcile and reflect in tariff. The penalty is inconsistent.	A Modified Reserve Sharing LSE is potentially subject to two separate surcharges. First, the failure of a Modified Reserve Sharing LSE to schedule or bid resources equal to 115% of each hourly Demand Forecast for the next trading day in the IFM, the LSE is subject to a surcharge equal to three (3) times the price of the relevant Day-Ahead Hourly LAP LMP. Second, the failure of a Modified Reserve Sharing LSE to maintain the level of capacity committed by the CAISO in the DAM, replace a resource suffering a forced outage, or 107% of the hourly forecast through Real-Time is subject to a surcharge of two (2) times the average of the six (6) Settlement Interval LAP prices for the hour in the amount of the shortfall. (Section 40.5.5.5.)

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SCHEDULING COORDINATOR BPM

SCHEDULING COORDINATOR BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	General	WPTF believe all specific roles and responsibilities of the ISO and Market Participants need to be captured in the FERC-filed tariff.	CAISO agrees that all specific roles and responsibilities of the ISO and Market Participants, including Scheduling Coordinators, must appear in the CAISO Tariff. The CAISO recognizes that through the review of the BPMs both internally and with its stakeholders, certain additional terms, rates and conditions may be identified as necessary to import into the CAISO Tariff. The CAISO will address all such requests raised by stakeholders and encourages stakeholders to submit specific provisions that they believe should be in the CAISO Tariff with a descriptive explanation supporting the proposed import. The CAISO is planning to make necessary filings to update the MRTU CAISO Tariff as appropriate to capture these changes prior to the start of the applicable markets under MRTU.
WPTF	General	Also please indicate any tariff language related to the requirements on SCs that the ISO anticipates removing in conjunction with the finalization of this BPM.	<p>(1) Section 4.5 of the MRTU CAISO Tariff contains the rates, terms and conditions that pertain to the SC Application process, the responsibilities of SCs and SC Applicants, and the CAISO's responsibilities in the SC application process. At this time, the CAISO does not anticipate removing any language from this section.</p> <p>(2) Appendix B.1 of the MRTU CAISO Tariff contains the pro forma Scheduling Coordinator Agreement. The CAISO does not intend to remove this form from the Tariff.</p> <p>(3) Appendix T to the MRTU CAISO Tariff contains the SC Application form. This is now included in the BPM for SC Application and Responsibilities and in transferring this form into the BPM the CAISO has enhanced the documentation to better assist applicants through the application process. Appendix T and the BPM for SC Application and Responsibilities contain additional details, forms and tools that aid in the implementation of the requirements in Section 4.5 of the MRTU CAISO Tariff. Before MRTU start-up, the CAISO will make a filing at FERC to remove this Appendix T from the tariff as it is replaced by the BPM and as the terms, rate and conditions that pertain to it are in Section 4.5 of the tariff.</p>

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

		SCHEDULING COORDINATOR BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			(4) A fundamental principle of the CAISO Markets structure is that, except for CRR settlement, SCs are responsible for all market related activities including submission of Bids, submission of certain market related information, and settlement of all market transactions. These terms, rates and conditions are contained in the entire MRTU CAISO Tariff. Those terms may change pursuant to further evaluation of the BPMs and the Tariff and it is not possible to identify such changes at this time. The CAISO will, however, work with stakeholders through any MRTU CAISO Tariff amendments it will make in the future.
WPTF	General	Please prepare for the BPM review meeting a discussion and presentation to explain what the relationship is between this BPM and the FERC-filed tariff provisions.	<p>This BPM contains information, forms, instructions and examples a prospective SC must have to complete and maintain its application; and information and instructions on any responsibilities that the applicant SC or SC once certified has in regard to its application or its status as an SC. The CAISO Tariff contains all the rates, terms and conditions, including the specific responsibilities that pertain to SCs. This BPM does not repeat nor add to those rates, terms and conditions. But it does expand on those rates, terms and conditions by providing the procedures and practices to implement the requirements under the CAISO Tariff.</p> <p>This BPM contains information, forms, instructions and examples a prospective SC must have to complete and maintain its application; and information and instructions on any responsibilities that the applicant SC or SC once certified has in regard to its application or its status as an SC. The CAISO Tariff contains all the rates, terms and conditions, including the specific responsibilities that pertain to SCs. This BPM does not repeat nor add to those rates, terms and conditions. But it does expand on those rates, terms and conditions by providing the procedures and practices to implement the requirements under the CAISO Tariff.</p> <p>For example: Section 4.5.1.1.10.1 of the MRTU CAISO Tariff sets forth the requirements that must be met in the application process, and Attachment A to the BPM provides a chart as an aid to applicants for understanding these requirements and estimated completion times; Section 4.5.1.1.6.2 of the MRTU CAISO Tariff describes obligation of SCs to certify that necessary contracts have been executed with and by</p>

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SCHEDULING COORDINATOR BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			resources, and Exhibit 3-1 of the BPM provides a chart and description of the contracts for the SC's consideration as applicable.
WPTF	5.1	[NOTE: THIS SECTION IS UNDER CONSIDERATION FOR POTENTIAL CHANGE IN CONJUNCTION WITH A POTENTIAL CHANGE TO THE MRTU TARIFF. A MARKET NOTICE WILL BE ISSUED IDENTIFYING THE STAKEHOLDER PROCESS TO ADDRESS THE POTENTIAL CHANGES.' [Tariff changes cannot be assessed without finalization of the BPM language.]	The CAISO conducted a stakeholder process and submitted a filing to FERC on June 20, 2007 regarding the proposed change to the current version of the ISO Tariff to extend the timeline for a Scheduling Coordinator Applicant's submittal of its application from 60 to 120 days prior to the commencement of service. The CAISO has revised the BPM to incorporate this change and other changes to the timeline associated with application processing and also proposes to make these same changes to Sections 4.5.1.1.4-4.5.1.1.8 of the MRTU version of the CAISO Tariff.
WPTF	5.1.1	'The SC applicant has one calendar year in which to complete and pass the requirements for final approval. If an application is not completed within one calendar year from the initial submittal date, CASIO can close the application. At a later date, if the SC applicant wishes to again pursue certification, a new application and fee is required.' This language cannot be found in tariff and should be in tariff.	The CAISO conducted a stakeholder process and submitted a filing to FERC on June 20, 2007 regarding the proposed changes to the current version of the ISO Tariff that are reflected in this section of the BPM. The CAISO also proposes to add these same changes as new Section 4.5.1.1.10.2 of the MRTU version of the CAISO Tariff.
WPTF	5.2	'2) Send a hardcopy of the application form, including the \$500.00 non-refundable application fee [NOTE: THIS FEE IS UNDER CONSIDERATION FOR POTENTIAL CHANGE IN CONJUNCTION WITH A POTENTIAL CHANGE TO THE MRTU TARIFF. A MARKET NOTICE WILL BE ISSUED IDENTIFYING THE STAKEHOLDER PROCESS TO ADDRESS THE POTENTIAL CHANGES.] to:...' Changes to the fee must be finalized before tariff impacts can be assessed. 4.5.1.1.6.1 references 'the prescribed non-refundable application fee.' However, significantly higher fees may warrant consideration of inclusion in the tariff of the fee or the fee-setting process.	The CAISO conducted a stakeholder process and submitted a filing to FERC on June 20, 2007 regarding the proposed change to the current version of the ISO Tariff to increase the Scheduling Coordinator application fee from \$500 to \$5,000 that is reflected in this section of the BPM. The CAISO also proposes to make the same change to Sections 4.5.1.1.4 and 4.5.1.1.6.1(c) of the MRTU version of the CAISO Tariff.
WPTF	5.3	'This requirement enables the SC applicant to have access to the CAISO Market applications. The SC applicant selects and implements the network interface that it needs. The CAISO web services are provided over two network interfaces:	Section 4.5.1.1.10.1(g) of the CAISO Tariff specifies that a Scheduling Coordinator Applicant must install a computer link account in order to communicate with the CAISO, which computer link is to the ECN. Moreover, CAISO Tariff Sections 6.1.2, 6.1.3, 6.2.1, 6.5.5, etc. all

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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SCHEDULING COORDINATOR BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
		Internet and Energy Communication Network (ECN). Both interfaces are symmetrical with respect to the functionality and data provided. It is the responsibility of the SC applicant to ensure adequate local network capacity and performance to support these web services.' No specific requirements are stated herein (not withstanding what may be included in the linked information). However, no requirements associated with the ECN could be identified within the tariff. The tariff should include all conditions of SCs.	require Scheduling Coordinators to communicate with the CAISO through the CAISO's secure communications system, which is the ECN. While these CAISO Tariff provisions are sufficient clear in imposing this obligation on Scheduling Coordinators, the CAISO proposes to add a specific reference to the requirements of the BPM in Section 4.5.1.1.10.1(g). The CAISO need not reference the ECN by name in these provisions of the CAISO Tariff.
WPTF	5.3.4	"The SC applicant is required to complete training, which consists of." No requirements associated with training could be found within the tariff. The tariff should include all conditions of SCs.	The CAISO proposes to revise Section 4.5.1.1.10.1(d) of the CAISO Tariff to incorporate a requirement that a Scheduling Coordinator Applicant must complete training as specified in the BPM prior to certification as a Scheduling Coordinator.
WPTF	5.3.5	"The SC applicant is required to take a test to demonstrate proficiency in submitting various types of Bids and Schedules to the CAISO. The estimated time to complete is to be determined. Additional information can be obtained at: URL to be supplied by CAI SO at a later date." No comparable requirement could be found within the tariff. The tariff should include all conditions of SCs. Tariff impact cannot be assessed until information is completed.	The CAISO proposes to revise Section 4.5.1.1.10.1(d) of the CAISO Tariff to incorporate a requirement that a Scheduling Coordinator Applicant must complete testing as specified in the BPM prior to certification as a Scheduling Coordinator.
WPTF	5.3.6	"The SC applicant is required to test its Fed-Wire. Fed-Wire is a computerized high-speed communication system linking the banks within the Federal Reserve System". No comparable requirement could be found within the tariff. The tariff should include all conditions of SCs.	Section 4.5.1.1.10.1(e) of the CAISO Tariff specifies that a Scheduling Coordinator Applicant must arrange for Fed-Wire transfers with the CAISO. Testing of the functionality of these Fed-Wire transfers is inherent in this requirement and need not be specified in the CAISO Tariff.
WPTF	5.3.7	"All SC applicants must complete real-time and contact drills." No comparable requirement could be found within the tariff. The tariff should include all conditions of SCs. Tariff impact cannot be assessed until information is completed.	The requirement that a Scheduling Coordinator demonstrate that it has a 24-hour a day scheduling center with continuous communication capability to the CAISO is embedded in CAISO Tariff Sections 4.5.1(a), 4.5.1.1.10.1 (f), 4.5.1.1.11(d), 4.5.4.1, 6.1.1, 6.2.1, and others. Regardless, the CAISO proposes to revise Section 4.5.1.1.10.1(d) of the CAISO Tariff to incorporate a requirement that a Scheduling Coordinator Applicant must complete training and testing as specified in the BPM prior to certification as a Scheduling Coordinator.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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SCHEDULING COORDINATOR BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
WPTF	5.3.8	No comparable requirement could be found within the tariff. The tariff should include all conditions of SCs. Tariff impact cannot be assessed until information is completed.	Section 6.1.5 of the CAISO Tariff requires each Scheduling Coordinator and any other Connected Entity to provide the CAISO the information specified in this provision regarding emergency contacts. With regard to the other information needed in the Scheduling Coordinator's emergency plan, the CAISO proposes to revise Section 4.5.1.1.10.1(f) of the CAISO Tariff to incorporate an explicit requirement that a Scheduling Coordinator Applicant must submit this information as specified in the BPM prior to certification as a Scheduling Coordinator.
WPTF	5.3.9	Tariff impact cannot be assessed until information is completed.	The requirement to provide Intertie Resource IDs has been added to the BPM. This requirement derives from the requirement in CAISO Tariff Sections 30.5.2.1 and 30.5.2.4 that Scheduling Coordinators' Supply Bids for System Resources must contain the Resource IDs and Locations for each Bid. No revisions to the CAISO Tariff are needed.
WPTF	5.3.10	"SCs representing any Generation or Participating Loads within the CAISO Control Area or planning to import Generation at the CAISO Control Area interties must utilize the Automated Dispatching System" No comparable requirement could be found within the tariff. The tariff should include all conditions of SCs. Tariff impact cannot be assessed until information is completed.	The requirement that a Scheduling Coordinator utilize the CAISO's Automated Dispatch System (ADS) is embedded in CAISO Tariff Sections 6.1.1, 6.2.1.1, 6.3, 6.5.5.1, and 8.4.5, among others. These CAISO Tariff provisions are sufficient clear in imposing this obligation on Scheduling Coordinators. The CAISO need not reference the ADS by name in these provisions of the CAISO Tariff.
WPTF	5.3.14	"SCs must employ several different computer systems and subsystems to properly participate in CAISO Markets. In employing these systems and in all communications with the CAISO, SCs must adhere to the computer system security requirements of CAISO." No "system security" requirements could be found within the tariff. The tariff should include all conditions of SCs.	The requirement that a Scheduling Coordinator adhere to the CAISO's system security requirements is embedded in CAISO Tariff Sections 6.1.3 and 6.2, among others. Regardless, the CAISO proposes to revise Section 4.5.1.1.10.1(b) of the CAISO Tariff to incorporate an explicit requirement that a Scheduling Coordinator must execute an agreement for compliance with the CAISO's system security requirements prior to certification as a Scheduling Coordinator.
WPTF	5.5.3	"SCs that are submitting interchange Schedules must register the source and sink with NERC."	Section 4.5.3.2 of the CAISO Tariff specifies that Scheduling Coordinators must provide the CAISO with Intertie Schedules prepared in accordance with all NERC requirements. This provision of the BPM provides guidance to a Scheduling Coordinator regarding a particularly important NERC requirement. No additional

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
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SCHEDULING COORDINATOR BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			provisions need be added to the CAISO Tariff regarding this matter.
WPTF	6.1.2	'[NOTE: THIS SECTION IS UNDER CONSIDERATION FOR POTENTIAL CHANGE IN CONJUNCTION WITH A POTENTIAL CHANGE TO THE MRTU TARIFF. A MARKET NOTICE WILL BE ISSUED IDENTIFYING THE STAKEHOLDER PROCESS TO ADDRESS THE POTENTIAL CHANGES.]' The tariff should include all conditions of SCs. Tariff impact cannot be assessed until information is completed.	The CAISO conducted a stakeholder process and submitted a filing to FERC on June 20, 2007 regarding the proposed changes to the current version of the ISO Tariff to impose requirements for termination of a Scheduling Coordinator Agreement for inactivity on the part of a Scheduling Coordinator. While these proposed provisions would not in their current form affect this section of the BPM, the CAISO wanted to provide notice of the proposed changes in the event that the stakeholder process for the proposed changes to the current version of the ISO Tariff should result in revisions that might affect this section of the BPM.
WPTF	6.1.2	'SCs are required to maintain continued proficiency and compliance with the rules and regulations concerning participation in the CAISO Markets. New employees are expected to enroll in the CAISO training classes as soon as practical given their other duties.' Requirements herein are vague and difficult to ensure compliance. Specific requirements need to be specified in the tariff.	The CAISO proposes to revise Section 4.5.1.1.10.1(d) of the CAISO Tariff to incorporate a requirement that a Scheduling Coordinator Applicant must complete training as specified in the BPM prior to certification as a Scheduling Coordinator. However, with regard to Scheduling Coordinators that are already certified, the provisions of this section are intended primarily to be advisory regarding actions a responsible Scheduling Coordinator should take to ensure it is able to comply with its obligations under the CAISO Tariff, and no additional requirements are intended to be added to the CAISO Tariff regarding these matters.
WPTF	Exhibit A-1	Includes requirements not found in tariff such as network, training, and proficiency test. (See related notes corresponding to specific requirements sections for more details.) The tariff should include all conditions of SCs.	The CAISO proposes to revise Section 4.5.1.1.10.1(d) of the CAISO Tariff to incorporate a requirement that a Scheduling Coordinator Applicant must complete testing as specified in the BPM prior to certification as a Scheduling Coordinator. Section 4.5.1.1.10.1(e) of the CAISO Tariff specifies that a Scheduling Coordinator Applicant must arrange for Fed-Wire transfers with the CAISO. Testing of the functionality of these Fed-Wire transfers is inherent in this requirement and need not be specified in the CAISO Tariff. The requirement that a Scheduling Coordinator demonstrate that it has a 24-hour a day scheduling center with continuous communication capability to the CAISO is embedded in CAISO Tariff Sections 4.5.1(a), 4.5.1.1.10.1(f), 4.5.1.1.11(d), 4.5.4.1, 6.1.1, 6.2.1, and others. Regardless, the CAISO proposes to revise Section 4.5.1.1.10.1(d) of the CAISO Tariff to incorporate a requirement that a Scheduling

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SCHEDULING COORDINATOR BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			Coordinator Applicant must complete training and testing as specified in the BPM prior to certification as a Scheduling Coordinator.
WPTF	5.2	Section 5.2 of the BPM for Scheduling Coordinator Certification & Termination provides for an application fee and charges for submitting a Scheduling Coordinator Application and additional Scheduling Coordinator IDs, respectively. Rates and charges must be reflected in the CAISO Tariff, and not in the BPMs.	The CAISO proposes to incorporate into Sections 4.5.1.1.4 and 4.5.1.1.6.1(c) of the CAISO Tariff a provision explicitly specifying the fee for submittal of an application for Scheduling Coordinator certification, as provided in Section 5.2 of the BPM. The CAISO conducted a stakeholder process and submitted a filing to FERC on June 20, 2007 regarding the proposed change to the current version of the ISO Tariff to increase the Scheduling Coordinator application fee from \$500 to \$5,000 that is reflected in this section of the BPM. The CAISO also proposes to make the same change to Sections 4.5.1.1.4 and 4.5.1.1.6.1(c) of the MRTU version of the CAISO Tariff.
WPTF	5.5.1	Section 5.5.1 of the BPM for Scheduling Coordinator Certification & Termination provides for an application fee and charges for submitting a Scheduling Coordinator Application and additional Scheduling Coordinator IDs, respectively. Rates and charges must be reflected in the CAISO Tariff, and not in the BPMs.	The CAISO proposes to incorporate into Section 4.5.1.3 of the CAISO Tariff a provision explicitly specifying the charge for additional Scheduling Coordinator IDs, as provided in Section 5.5.1 of the BPM.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

CHANGE MANAGEMENT BPM

		CHANGE MANAGEMENT BPM	
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
Williams	Tariff Section (22.11.1) entitled “Process for Revisions of Business Practice Manuals”, that section, in six places, still defers to the BPM for BPM Change Management details of the process: 1. BPM PRR Request (“PRR”) (<i>Section 22.11</i>); 2. PRR process (<i>Section 22.11.1</i>); 3. PRR consideration (<i>Sections 22.11.1, 22.11.1.3, 22.11.1.5</i>); 4. PRR impact analysis (<i>Section 22.11.1.4</i>); 5. Stakeholders comments on posted BPM PRRs (<i>Section 22.11.1.5</i>); 6. CAISO published recommendation for a BPM change and stakeholders comment on that recommendation (<i>Section 22.11.1.5</i>).	These elements of BPM change management process must be detailed in the tariff – and not merely relegated to a BPM – so as to comply with FERC’s directive in paragraph 1371 of the September 21, 2006 MRTU Order.	The CAISO understands FERC’s directive to address BPM change management in the CAISO tariff to be consistent with the “rule of reason,” which permits implementation detail to be included in non-filed manuals. Nonetheless, the CAISO has added additional tariff language from the BPM to the tariff. In addition, the CAISO has added tariff language requiring changes to the BPM for change management to be approved by the Board.
Williams	Concerns regarding critical details are still missing from the Tariff.	Form of or information necessary in the PRR is not specified in the proposed tariff language, which may undermine due process given that Section 22.11.1.2 allows the CAISO to withhold consideration of a PRR until the PRR is complete.	The CAISO believes that it is not reasonable or practical to address this issue in tariff language. The CAISO intends to consider all BPM PRRs and questions about “completeness” in good faith.

**CAISO RESPONSES TO STAKEHOLDER COMMENTS AS TO WHETHER BPM DETAILS
SHOULD BE INCLUDED IN THE CAISO TARIFF**

CHANGE MANAGEMENT BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
Williams	Concerns regarding critical details are still missing from the Tariff.	Language does not set forth how PRR recommendations are approved, rejected or modified. Such authority appears to lie solely in the discretion of the BPM Change Management Coordinator (Section 22.11.1.5), but that authority is not expressly described in Section 22.11.1.3.	The change management coordinator represents CAISO management. The decisions will reflect consideration of all factors and it is not reasonable or practical to include such details in tariff language.
Williams	Concerns regarding critical details are still missing from the Tariff.	Section 22.11.1.5 both describes “regularly established” public meetings to consider PRRs and also allows for “specially noticed” meetings – in neither case indicating when such meetings would be held and how they would be noticed.	Standing Monthly meetings will be set well in advance. The BPM will be amended to incorporate a one-week notice for special meetings.
CPUC	Voting segments and appeals	The appeals process at best is suspect, at worst is nonexistent or engaged by the same people rejecting other views to be repeated at executive level. Moreover, there is no clear way to understand who at the executive level is reviewing this and what duties are common upon them to perform or do anything in a meaningful fashion.	The CAISO believes that business details in the BPMs are fundamentally a matter that is appropriately the responsibility of CAISO management. The CAISO added tariff language to exclude an executive sponsor of a BPM PRR from sitting on the executive committee reviewing an appeal of a final BPM PRR decision.
CPUC	Voting segments and appeals	Pervasiveness that allows the California ISO to be a unilateral decider without meaningful checks and balances.	When it comes to business details implementing FERC approved tariff language, it is appropriate for the CAISO management to be the decision maker. All interested stakeholders nevertheless, have the right to bring any matter to the Board’s attention and have the right to complain to FERC if the CAISO is acting outside its authority.
CPUC	Appeals	Right of dissatisfied “appellant” to request management to address BPM PRR through tariff amendment.	Incorporating a transparent mechanism to consider tariff changes when a PRR is rejected because it conflicts with CAISO tariff authority requires further consideration. CAISO asks stakeholders to address this proposal and any suggested changes at the stakeholder call on June 15, 2007. ISO Management has designed with stakeholder input a process that is highly transparent. Other suggestions on transparency are welcome also during the June 15

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CHANGE MANAGEMENT BPM			
Stakeholder	BPM Section	Stakeholder Comment	CAISO Response
			discussion.
PG&E	Appeals	Appeals of Category B and BPM PRR decisions reviewed by the Board	The CAISO added tariff language to section 22.11.1.6 to clarify appellant's ability to raise concerns to the board at regularly scheduled board meetings.
WPTF	Section 22.11.1.1 –form of BPM PPR	Requirement that BPM PRR form not be changed except on 10 days notice, opportunity to comment, discussion at BPM PRR meeting and responding in writing.	The CAISO does not believe that it is necessary or appropriate to include these requirements in the tariff but agrees that changes to the BPM PRR should be subject to the BPM PRR process and has added proposed language to that effect to Section 22.11.1.1.
WPTF	Section 22.11.1.6--appeals	Appeals committee to include stakeholder representation and minimum number of votes	<p>The CAISO believes that business details in the BPMs are fundamentally a matter that is appropriately the responsibility of CAISO management.</p> <p>The CAISO added tariff language to exclude an executive sponsor of a BPM PRR from sitting on the executive committee reviewing an appeal of a final BPM PRR decision.</p>

Certificate of Service

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated this 10th day of August, 2007 at Folsom in the State of California.

/s/ Charity Wilson

Charity Wilson

(916) 608-7147