TROUTMAN SANDERS

TROUTMAN SANDERS LLP Attorneys at Law 401 9th Street, N. W., Suite 1000 Washington, D.C. 20004-2134 202.274.2950 telephone troutmansanders.com

August 11, 2009

The Honorable Kimberly D. Bose Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

RE: California Independent System Operator Corp.

Docket No. ER09-1064

Errata to Compliance Filing

Dear Secretary Bose:

Yesterday, August 10, 2009, the California ISO submitted a compliance filing in the above-referenced proceeding. The clean tariff sheets composing Attachment A to that filing inadvertently failed to incorporate all the changes reflected in the redline tariff sheets and described in the filing letter. Accordingly, the California ISO asks the Commission to accept the revised clean tariff sheets attached hereto, in lieu of those filed yesterday.

Please contact the undersigned with any questions.

1 12 4

Respectfully submitted:

Christopher R. Jones
TROUTMAN SANDERS LLP

401 9th Street, N.W., Suite 1000

Washington, D.C. 20004

(202) 662-2181

Counsel for the California ISO



The Honorable Kimberly D. Bose August 11, 2009 Page 2

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC, this 11th day of August, 2009.

<u>/s/_____</u>

Christopher R. Jones TROUTMAN SANDERS LLP 401 9th Street, NW, Suite 1000 Washington, DC 20004 (202) 662-2181 Attachment A – Clean Sheets

Standard Capacity Product Amendment Filing

ER09-1064-000

Fourth Replacement CAISO Tariff

August 10, 2009

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
FERC ELECTRIC TARIFF
FOURTH REPLACEMENT VOLUME NO. I
Supersedir

Second Revised Sheet No. 786 Superseding First Revised Sheet No. 786

Local Capacity Area Resources physically capable of operating must (i) submit: (a) Economic Bids for Energy and/or Self-Schedules for all their Resource Adequacy Capacity and (b) Economic Bids for Ancillary Services and/or a Submission to Self-Provide Ancillary Services for all of their Resource Adequacy Capacity that is certified to provide Ancillary Services. For Local Resource Adequacy Capacity that is certified to provide Ancillary Services and is not covered by a Submission to Self-Provide Ancillary Services, the resource must submit Economic Bids for each Ancillary Service for which the resource is certified. For Resource Adequacy Capacity subject to this requirement for which no Economic Energy Bid or Self-Schedule has been submitted, the CAISO shall insert a Generated Bid in accordance with Section 40.6.8. For Resource Adequacy Capacity subject to this requirement for which no Economic Bids for Ancillary Services or Submissions to Self-Provide Ancillary Services have been submitted, the CAISO shall insert a Generated Bid in accordance with Section 40.6.8 for each Ancillary Service the resource is certified to provide. However, to the extent the Generating Unit providing Local Capacity Area Resource capacity constitutes a Use-Limited Resource under Section 40.6.4, the provisions of Section 40.6.4

(ii) Resource Adequacy Resource must participate in the RUC to the extent that the resource has available Resource Adequacy Capacity that was offered into the IFM and is not reflected in an IFM Schedule. Resource Adequacy Capacity participating in RUC will be optimized using zero dollar (\$0/MW-hour) RUC Availability Bid.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

will apply.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF FOURTH REPLACEMENT VOLUME NO. |

First Revised Sheet No. 789A Superseding Original Sheet No. 789A

Day-Ahead Availability. 40.6.1

Scheduling Coordinators supplying Resource Adequacy Capacity shall make the Resource Adequacy Capacity, except for that subject to Section 40.6.4, available Day-Ahead to the CAISO as follows:

> (1) Resource Adequacy Resources physically capable of operating must submit: (a) Economic Bids for Energy and/or Self-Schedules for all their Resource Adequacy Capacity and (b) Economic Bids for Ancillary Services and/or a Submission to Self-Provide Ancillary Services in the IFM for all of their Resource Adequacy Capacity that is certified to provide Ancillary Services. For Resource Adequacy Capacity that is certified to provide Ancillary Services and is not covered by a Submission to Self-Provide Ancillary Services, the resource must submit Economic Bids for each Ancillary Service for which the resource is certified. For Resource Adequacy Capacity subject to this requirement for which no Economic Energy Bid or Self-Schedule has been submitted, the CAISO shall insert a Generated Bid in accordance with Section 40.6.8. For Resource Adequacy Capacity subject to this requirement for which no Economic Bids for Ancillary Services or Submissions to Self-Provide Ancillary Services have been submitted, the CAISO shall insert a Generated Bid in accordance with Section 40.6.8 for each Ancillary Service the resource is certified to provide.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

FOURTH REPLACEMENT VOLUME NO. I

First Revised Sheet No. 790B Superseding Original Sheet No. 790B

The CAISO will treat such information as confidential and will apply the procedures in Section 20.4 of this CAISO Tariff with regard to requests for disclosure of such information. The CAISO shall pay any higher opportunity costs approved by FERC.

- (5) A Resource Adequacy Resources must participate in the RUC to the extent that the resource has available Resource Adequacy Capacity that is not reflected in an IFM Schedule. Resource Adequacy Capacity participating in RUC will be optimized using a zero dollar (\$0/MW-hour) RUC Availability Bid.
- (6) Capacity from Resource Adequacy Resources selected in RUC will not be eligible to receive a RUC Availability Payment.

40.6.2 Real-Time Availability.

certified Resource Adequacy Capacity and

Resource Adequacy Resources that have received an IFM Schedule for Energy or Ancillary Services or a RUC Schedule for all or part of their Resource Adequacy Capacity must remain available to the CAISO through Real-Time for Trading Hours for which they receive an IFM or RUC schedule, including any Resource Adequacy Capacity of such resources that is not included in an IFM Schedule or RUC Schedule, except for Resource Adequacy Capacity that is subject to Section 40.6.4.

Short Start Units or Long Start Units that are Resource Adequacy Resources that do not have an IFM Schedule or a RUC Schedule for any of their Resource Adequacy Capacity for a given Trading Hour may be required to be available to the CAISO through Real-Time as specified in Sections 40.6.3 and 40.6.7.

Resource Adequacy Resources with Resource Adequacy Capacity that is required to be available to the CAISO through Real-Time and does not have an IFM Schedule or a RUC Schedule for a given Trading Hour must submit to the RTM for that Trading hour: (a) Energy Bids and Self-Schedules for the full amount of the available Resource Adequacy Capacity, including capacity for which it has submitted Ancillary Services Bids or Submissions to Self-Provide Ancillary Services; and (b) Ancillary Services Bids and Submissions to Self-Provide Ancillary Services; and (c) Ancillary Services.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

FOURTH REPLACEMENT VOLUME NO. I

Third Revised Sheet No. 795 Superseding Second Revised Sheet No. 795

40.6.8 Use of Generated Bids.

Prior to completion of the Day-Ahead Market, the CAISO will determine if Resource Adequacy Capacity subject to the requirements of Sections 40.5.1 or 40.6.1 and for which the CAISO has not received notification of an Outage has not been reflected in a Bid and will insert a Generated Bid for such capacity into the CAISO Day-Ahead Market. Prior to running the Real-Time Market, the CAISO will determine if Resource Adequacy Capacity subject to the requirements of Section 40.6.2 and for which the CAISO has not received notification of an Outage has not been reflected in a Bid and will insert a Generated Bid for such capacity into the Real-Time Market. If a Scheduling Coordinator for an RA Resource submits a partial bid for the resource's RA capacity, the CAISO will insert a Generated Bid only for the remaining RA capacity. In addition, the CAISO will determine if all dispatchable Resource Adequacy Capacity from Short Start Units, not otherwise selected in the IFM or RUC, is reflected in a Bid into the Real-Time Market and will insert a Generated Bid for any remaining dispatchable Resource Adequacy Capacity for which the CAISO has not received notification of an Outage. A Generated Bid for Energy will be calculated as provided in the Business Practice Manuals. A Generated Bid for Ancillary Services will equal zero dollars (\$0/MW-hour). Notwithstanding any of the provisions of Section 40.6.8 set forth above, the CAISO will not insert any Bid for a Resource Adequacy Resource that is a Use-Limited Resource.

40.6.9 Availability Requirements for Grandfathered Firm Liquidated Damages Contracts.

Resource Adequacy Capacity represented by a Firm Liquidated Damages Contract and relied upon by a Scheduling Coordinator in a monthly or annual Resource Adequacy Plan shall be submitted as a Self-Schedule or Bid in the Day-Ahead IFM to the extent such scheduling right exists under the Firm Liquidated Damages Contract.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF FOURTH REPLACEMENT VOLUME NO. I Sur

Superseding Original Sheet No. 802B

First Revised Sheet No. 802B

Effective: June 28, 2009

(2) Capacity under a resource specific power supply contract that existed prior to June 28, 2009 and Resource Adequacy Capacity that was procured under a contract that was either executed or submitted to the applicable Local Regulatory Authority for approval prior to June 28, 2009, and is associated with specific Generating Units or System Resources, will not be subject to Non-Availability Charges or Availability Incentive Payments. Such contracted Resource Adequacy Capacity, except for non Resource-Specific System Resources, will be included in the development of Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose. The exemption will apply only for the initial term of the contract and to the MW capacity quantity and Resource Adequacy Resources specified in the contract prior to June 28, 2009. The exemption shall terminate upon the conclusion of the initial contract term. Exempt contracts may be re-assigned or undergo novation on or after June 28, 2009, but the exemption shall not apply for any extended contract term, increased capacity quantity or additional resource(s) beyond those specified in the contract prior to June 28, 2009. Scheduling Coordinators for Resource Adequacy Resources subject to these contracts will be required to certify the start date of the contract, the expiration date, the Resource ID(s), and the amount of Resource Adequacy Capacity associated with each Resource ID included in the contract.

- For a contract entered into prior to June 28, 2009 that provides for the amount of (3) Resource Adequacy Capacity to increase during the original term of the contract, based on a ratio of the Resource Adequacy Resource's output or due to an addition of capacity, the exemption provided in subsection (2) of this Section 40.9.2 will apply to the additional capacity allowed under the contract; provided that the capacity increase (i) is expressly contained in the provisions of the contract, (ii) occurs during the primary term of the contract; and (iii) does not result from contract extensions or other amendments to the original terms and conditions of the contract. Scheduling Coordinators for Resource Adequacy Resources subject to contracts that provide for such capacity increases or additions must include in their certification, in addition to the requirements of subsection (2) of this Section 40.9.2, (i) the citation to any contract provisions that might entitle them to increased exempt Resource Adequacy Capacity from the contracted resources during the primary term of the contract; (ii) the amount of additional capacity to which they might be entitled; and (iii) the actual effective date of the capacity increase. If the actual amount of capacity and/or the actual effective date of the capacity increase is not known at the time of the initial certification, the Scheduling Coordinator shall provide a supplemental certification(s) when this information becomes known.
- (4) Demand response resources and resources whose Qualifying Capacity value is determined by historical output from the CPUC or a Local Regulatory Authority that does not adjust the historical output data to correct for the possible double-counting of Outages will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

FOURTH REPLACEMENT VOLUME NO. I

First Revised Sheet No. 802C Superseding Original Sheet No. 802C

(5) Resource Adequacy Capacity provided through contracts for Energy from non-specified resources delivered within the CAISO Balancing Authority Area will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9; and

(6) Resource Adequacy Resources of a Modified Reserve Sharing LSE or a Load following MSS will be used to determine the Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose. Non-Local Capacity Area Resource Adequacy Resources of a Modified Reserve Sharing LSE or a Load following MSS will not be subject to Non-Availability Charges or Availability Incentive Payments, but those entities shall remain responsible for any other applicable deficiency payments under this CAISO Tariff or the applicable MSS Agreement.

Exclusions from the Availability Standards and Outage reporting requirements established in this Section 40.9 are for this Section 40.9 alone and do not affect any other obligation arising under the CAISO Tariff.

40.9.3 Availability Assessment Hours.

The CAISO shall establish Availability Assessment Hours applicable for each month of each Resource Adequacy Compliance Year, which shall be applied starting with Resource Adequacy Compliance Year 2010, in order to assess the extent to which each Resource Adequacy Resource has met the Availability Standards of this Section 40.9. The Availability Assessment Hours shall be a pre-defined set of hours in each month corresponding to the operating periods when high demand conditions typically occur and when the availability of Resource Adequacy Capacity is most critical to maintaining system reliability. The Availability Assessment Hours shall be comprised of five consecutive hours of each non-weekend, non-federal holiday day. The five hour period will vary by season as necessary such that, based on historical actual load data, the coincident peak load hour typically falls within the five-hour range each day during the month. The CAISO shall annually determine the five hour range for the Availability Assessment Hours for each month of the next Resource Adequacy Compliance year prior to the start of each Resource Adequacy Compliance Year and shall specify them in the Business Practice Manual.

First Revised Sheet No. 802G

FOURTH REPLACEMENT VOLUME NO. I

Superseding Original Sheet No. 802G

(2)Non-Local Capacity Area Resources (Resource Adequacy Resources designated to meet system requirements). If a Resource Adequacy Resource that is not also a Local Capacity Area Resource has an outage that would count against its availability, the Scheduling Coordinator for that resource may, prior to the close of the IFM, request to substitute a non-Resource Adequacy Resource to be used in the place of the original resource. A Scheduling Coordinator for a non-Resource Specific System Resource that has an outage that would count against its availability may, prior to the close of the IFM, request to substitute a non-Resource Adequacy Resource that is internal to the CAISO Balancing Area Authority to be used in the place of the original resource. The CAISO shall approve the request if the substitute resource provides the same MW quantity of deliverable capacity as the original Resource Adequacy Resource.

40.9.4.2.2 Accounting for De-Rates.

In accounting for a de-rate of a unit that has not committed one hundred percent (100%) of its Net Qualified Capacity in its Monthly Supply Plan, the CAISO will follow the following principles:

- (1) Any de-rate will be applied first to any non Resource Adequacy Capacity of the resource; and
- (2)Any de-rate to Resource Adequacy Capacity will be applied pro-rata to any contract capacity exempt under Section 40.9.2(2) and any non-exempt Resource Adequacy Capacity commitment from that resource.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF FOURTH REPLACEMENT VOLUME NO. I

Original Sheet No. 802G.01

40.9.5 Outage Reporting.

Scheduling Coordinators for Generating Units or Resource-Specific System Resources that are also Resource Adequacy Resources with a maximum output capability of one (1) MW or more, but which do not meet the requirement to provide information on Forced Outages in accordance with Section 9.3.10, shall provide equivalent availability-related information in the form and on the schedule specified in the Business Practice Manuals. This information shall identify all Forced Outages, non-ambient de-rates, and temperature-related ambient de-rates that have occurred over the previous calendar month and shall contain all relevant details needed to enable the CAISO to perform the availability calculation for the resource in accordance with Section 40.9.4, including: the start and end times of any Outages or derates, the MW availability in all Availability Assessment Hours, and the causes of any Forced Outages or

FOURTH REPLACEMENT VOLUME NO. I

First Revised Sheet No. 802H

Superseding Original Sheet No. 802H

de-rates. Scheduling Coordinators for Resource Adequacy Resources whose maximum output capability is ten (10) MW or more shall report Outage-related information in accordance with the reporting obligations in Section 9.3.10.

40.9.6 Non-Availability Charges and Availability Incentive Payments.

A Resource Adequacy Resource that is subject to the availability assessment in accordance with Section 40.9.4 and whose monthly availability calculation under Section 40.9.4.2 is more than two and a half percent (2.5%) below the monthly Availability Standard will be subject to a Non-Availability Charge for the month. A Resource Adequacy Resource subject to Section 40.9.4 whose availability calculation under Section 40.9.4.2 is more than two and a half percent (2.5%) above the monthly Availability Standard will be eligible for an Availability Incentive Payment for the month.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

40.9.6.1 Determination of Resource Adequacy Capacity Subject to Non-Availability Charge.

The amount of Resource Adequacy Capacity of a Resource Adequacy Resource subject to the Non-Availability Charge will be determined as follows:

(1) A Resource Adequacy Resource with actual availability calculated in accordance with Section 40.9.4.2 that is less than the Availability Standard minus the tolerance band of two and a half percent (2.5%) for a given month will have the Non-Availability Charge assessed to that portion of its non-exempt Resource Adequacy Capacity determined in accordance with the following formula:

If the value of X satisfies RA*(S - .025) > X >= PMin, then
$$P = RA*(S - .025) - X$$

If the value of X satisfies PMin >= X >= 0, then $P = RA - (X/PMin)*[RA(1 - (S - .025)) + PMin]$

Where:

- P = The RA Resource's RA Capacity subject to Non-Availability Charge
- S = Monthly Availability Standard as a fraction, so that 0 < S < 1.0
- RA = The RA Resource's RA Capacity (MW) less any exempt capacity
- X = The RA Resource's monthly calculated RA availability calculated in accordance with Section 40.9.4.2 (MW)

Pmin = The RA Resource's Master File minimum operating limit (MW)

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF FOURTH REPLACEMENT VOLUME NO. I Supe

First Revised Sheet No. 8021 Superseding Original Sheet No. 8021

- (2) No Non-Availability Charge will be applied when a Resource Adequacy Resource's actual availability, calculated in accordance with Section 40.9.4.2 for a given month, is equal to or greater than the Availability Standard less two and a half percent (2.5%).
- (3) Any Forced Outage, non-ambient de-rate, or temperature-related ambient de-rates of a resource that the CAISO has accepted as a substitute for a Resource Adequacy Resource in accordance with Section 40.9.4.2.1 will be applied in calculating the availability of the Resource Adequacy Resource for which it is substituting.

40.9.6.2 Determination of the Non-Availability Charge.

The per-MW Non-Availability Charge rate will be the Monthly ICPM Capacity Payment price as specified in Schedule 6 of Appendix F of this CAISO Tariff. The Non-Availability Charge for a Resource Adequacy Resource shall be determined by multiplying the resource's capacity subject to the Non-Availability Charge calculated in accordance with Section 40.9.6.1 by the Non-Availability Charge rate.

40.9.6.3 Availability Incentive Payment.

Scheduling Coordinators for Resource Adequacy Resources that achieve monthly availability that is more than two and a half percent (2.5%) above the monthly Availability Standard are eligible to receive the monthly Availability Incentive Payment. This payment will be funded entirely through the monthly Non-Availability Charges assessed for the same month. For each resource eligible for the Availability Incentive Payment, its eligible capacity will be that portion of its designated Resource Adequacy Capacity equal to its actual availability calculated in accordance with Section 40.9.4.2 minus the Availability Standard percent minus two and a half percent (2.5%). The monthly Availability Incentive Payment rate will equal the total Non-Availability Charges assessed for the month divided by the total Resource Adequacy Capacity eligible to receive the Availability Incentive Payment that month, provided that the Availability Incentive Payment rate shall not exceed three times the Non-Availability Charge rate. The Availability Incentive Payment the CAISO shall pay to each eligible resource will equal the product of its eligible capacity and the Availability Incentive Payment rate. Any remaining Non-Availability Charge funds that are not distributed to eligible Resource Adequacy Resources will be credited against the Real-Time neutrality charge for that Trade Month in accordance with Section 11.5.2.3.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

FERC ELECTRIC TARIFF

First Revised Sheet No. 802J

FOURTH REPLACEMENT VOLUME NO. I

Superseding Original Sheet No. 802J

40.9.6.4 Monthly Settlement.

The CAISO shall calculate and settle Non-Availability Charges and Availability Incentive Payments on a Trade Month basis so that all Non-Availability Charges collected for a Trade Month are allocated in accordance with Section 40.9.6.3 for that same Trade Month.

40.9.7 Availability Assessment for Resource Adequacy Capacity Provided by Non Resource-Specific System Resources.

Non-Resource-Specific System Resources that provide Resource Adequacy Capacity will comprise a distinct category for purposes of the CAISO's Availability Standards program. This category will utilize the same Availability Standard determined for other Resource Adequacy Resources in accordance with Section 40.9.4.1, but will have its own availability calculations as well as a separate account for settling Non-Availability Charges and Availability Incentive Payments.

40.9.7.1 Availability Standard for Non-Resource-Specific System Resources Providing Resource Adequacy Capacity.

The monthly Availability Standard for a non-Resource-Specific System Resource will be the Availability Standard determined in accordance with Section 40.9.4.1 to be provided in the form of Economic Bids or Self-Schedules at the resource's designated Scheduling Point submitted to the IFM for all Availability Assessment Hours. The Availability Standard applicable to a non-Resource Specific System Resource shall not include any hours in which the resource was prohibited by Section 30.8 from bidding across an out-of-service transmission path at its designated Scheduling Point. A non-Resource Specific System Resource providing Resource Adequacy Capacity whose monthly availability calculation under Section 40.9.7.2 is more than two and a half percent (2.5%) below the monthly Availability Standard will be subject to a Non-Availability Charge for the month. A non-Resource Specific System Resource providing Resource Adequacy Capacity whose monthly availability calculation under Section 40.9.7.2 is more than two and a half percent (2.5%) above the monthly Availability Standard will be eligible for Availability Incentive Payments. Non-Resource-Specific System Resources will not be included in the calculation of the Availability Standards for other Resource Adequacy Resources as determined in Section 40.9.4.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

FERC ELECTRIC TARIFF

First Revised Sheet No. 802K

FOURTH REPLACEMENT VOLUME NO. I Superseding Original Sheet No. 802K

40.9.7.2 Availability Calculation for Non-Resource-Specific System Resources Providing Resource Adequacy Capacity.

The availability of Resource Adequacy Capacity provided by a non-Resource-Specific System Resource will be measured by its hourly offers of Economic Bids or Self-Schedules to provide Energy or, if certified to provide Ancillary Services, Bids for or submissions to Self-Provide Ancillary Service capacity into the CAISO Day-Ahead Market in accordance with the requirements of Section 40.6, for all of the Availability Assessment Hours. Specifically, the resource's availability will be calculated as the sum of the MW-hours reflected in the resource's submitted Day-Ahead Economic Bids and Self-Schedules over all Availability Assessment Hours, divided by the sum of the resource's designated non-exempt Resource Adequacy Capacity for all Availability Assessment Hours, times one hundred (100) to obtain a number between zero (0) and one hundred percent (100%). The Scheduling Coordinator for Resource Adequacy Capacity provided by non-Resource-Specific System Resources is expected to secure sufficient transmission rights to deliver the Resource Adequacy Capacity to its designated CAISO Scheduling Point. If in any given Availability Assessment Hour, the CAISO does not fully accept the Economic Bids or Self-Schedules submitted by the Scheduling Coordinator for the Resource Adequacy Capacity provided by non-Resource-Specific System Resources, the Scheduling Coordinator for that resource shall be deemed to have met its availability obligation for that hour. In determining monthly availability of a non-Resource Specific System Resource under Section 40.9.7.2, any hours in which the resource was prohibited by Section 30.8 from bidding across an out-of-service transmission path at its designated Scheduling Point will be excluded from the calculation. Scheduling Coordinators for non-Resource Specific System Resources must submit a monthly report of such hours occurring under Section 30.8, in the format and manner described in the Business Practice Manual for Reliability Requirements.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development
Issued on: August 10, 2009 Effective: January 1, 2010

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF FOURTH REPLACEMENT VOLUME NO. I

Original Sheet No. 802K.01

40.9.7.3 Determination of Non-Availability Charges and Availability Incentive Payments for Non-Resource-Specific System Resources Providing Resource Adequacy Capacity.

A Non-Resource-Specific System Resource that provides Resource Adequacy Capacity and whose actual availability calculated in accordance with Section 40.9.7.2 is less than the Availability Standard defined in Section 40.9.7.1 minus the tolerance band of two and one-half percent (2.5%) for a given month shall be assessed a Non-Availability Charge. This charge for such a resource shall apply to that portion of the resource's designated non-exempt Resource Adequacy Capacity equal to one hundred percent (100%) minus the ratio of its actual availability calculated in accordance with Section 40.9.7.2 to the Availability Standard minus two and one-half percent (2.5%). The Non-Availability Charge will then equal the resource's applicable capacity that is subject to Non-Availability Charges multiplied by the a Non-Availability Charge rate equal to the Monthly ICPM Capacity Payment price as specified in Schedule 6 of Appendix F of this CAISO Tariff.

Funds collected for Non-Availability Charges pursuant to this Section 40.9.7.3 in a Trade Month will be used to provide Availability Incentive Payments to non-Resource-Specific System Resources providing

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

FERC ELECTRIC TARIFF

First Revised Sheet No. 802L

FOURTH REPLACEMENT VOLUME NO. I

Superseding Original Sheet No. 802L

Resource Adequacy Capacity that exceed the Availability Standard established in Section 40.9.7.1 plus

the tolerance band of two and one-half percent (2.5%) for that same Trade Month. The funds will be

distributed to each such resource in proportion to the resource's share of the total non-exempt Resource

Adequacy Capacity provided by non-Resource-Specific System Resources that are eligible for Availability

Incentive Payments or the month.

Any Availability Incentive Payment to a non-resource specific System Resource providing Resource

Adequacy Capacity under this Section 40.9.7 3 will be capped at three times the Non-Availability Charge

rate multiplied by the amount of the resource's non-exempt Resource Adequacy Capacity. Any remaining

monthly surplus of Non-Availability Charges from non-Resource-Specific System Resources providing

Resource Adequacy Capacity in a Trade Month will be credited against the Real-Time neutrality charge

for that Trade Month in accordance with Section 11.5.2.3. Only revenues received from the assessment

of Non-Availability Charges to non-Resource-Specific System Resources providing Resource Adequacy

Capacity will be used to fund Availability Incentive Payments for non-Resource-Specific System

Resources providing Resource Adequacy Capacity.

40.9.8 Reporting

By July 1 of each year, the CAISO will provide an informational report that will be posted on the CAISO

Website and include the following information: (1) the Availability Standard value for each month of the

year and (2) information on the average actual availability each month of Resource Adequacy Resources.

the total amount of Non-Availability Charges assessed and the total amount of Availability Incentive

Payments made.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development