

August 23, 2000

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

Re: Docket No. ER00-2383-____

Dear Secretary Boergers:

Enclosed for filing please find an original and fourteen copies of a Notice of Implementation regarding ten-minute markets of the California Independent System Operator Corporation ("ISO").¹ The enclosed Notice of Implementation was issued by the ISO on August 22, 2000 pursuant to the order issued by the Commission in the above-referenced proceeding on June 29, 2000. The filing of this Notice is being made for the information of the Commission.

The ISO filed Amendment No. 29 to the ISO Tariff in the above-referenced proceeding on May 2, 2000. In this amendment, the ISO proposed, among other things, to modify its current approach to the Dispatch of resources participating in the ISO's Imbalance Energy market and to the settlement of Scheduling Coordinators' obligations in that market. Under these modifications, all resources supplying Imbalance Energy will be Dispatched over the interval utilized by the ISO's Balancing Energy and Ex Post Price ("BEEP") software – currently, ten minutes – and obligations in the Imbalance Energy market will be settled on the same basis. Collectively, these modifications are known as "ten-minute markets." Because the software necessary to implement ten-minute markets was still in development when the ISO filed its ten-minute market approach, the ISO requested that Amendment No. 29 be permitted to go into effect on the later of July 1, 2000, or ten days after the ISO posts a notice on the ISO Home Page that the modified software necessary to implement ten-minute markets is ready for use.

¹ Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff, as filed August 15, 1997, and subsequently revised.

The Commission approved Amendment No. 29, with certain modifications, by order issued on June 29, 2000. *California Independent System Operator Corporation*, 91 FERC ¶ 61,324. In that order, the Commission approved the ISO's request that ten-minute markets be permitted to go into effect on the date described above. *Id.* at 62,117.

The enclosed Notice of Implementation specifies that the ISO has now completed the necessary software modifications. The Notice further specifies that the ISO would, on August 22, 2000, post notice on the ISO Home Page that ten-minute markets will be implemented for Trade Day September 1, 2000.

The ISO states that the enclosed Notice of Implementation was posted on the ISO Home Page on August 22, 2000, and was sent to all Market Participants via e-mail on that date. The ISO further states that it has served the Notice of Implementation upon each person designated on the official service list for the above-referenced docket, as indicated in the attached certificate of service.

Enclosed please also find a form notice of filing suitable for publication in the Federal Register and a copy of that form notice on a 3.5" diskette. Two extra copies of this filing are also enclosed. Please stamp these copies with the date and time of filing and return them to the messenger.

Respectfully submitted,

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TEN-MINUTE MARKETS

Notice of Implementation

Market Participants:

Pursuant to the Federal Energy Regulatory Commission (FERC) order issued on June 29, 2000, which accepted Amendment No. 29 to the ISO Tariff, the ISO hereby gives notice that effective September 1, 2000, the ISO will begin implementation of ten-minute markets.

On May 2, 2000, the ISO filed Amendment No. 29 to the ISO Tariff with FERC. In Amendment No. 29, the ISO proposed modifications to its approach to the Dispatch of resources participating in the ISO's real-time Imbalance Energy market and to the settlement of Scheduling Coordinators' obligations in that market. Under these modifications, all resources supplying Imbalance Energy will be dispatched over the interval utilized by the ISO's Balancing Energy and Ex Post Price (BEEP) software -- currently ten minutes -- and obligations in the Imbalance Energy market will be settled on the same basis. Collectively, these modifications are known as "ten-minute markets."

Pursuant to the FERC Order on Amendment No. 29, ten-minute markets are to become effective on the later of July 1, 2000, or ten days after the ISO posts a notice on the ISO Home Page that the modified software necessary to implement ten-minute markets is ready for use. The ISO software modifications are now complete. Therefore, the ISO will today post notice on its Home Page that ten-minute markets will be implemented for Trade Day September 1, 2000

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

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Docket No. ER00-2383-____

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Any person desiring to be heard to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 or 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§ 385.211, 385.214). All such motions or protests must be filed in accordance with § 35.9 of the Commission's regulations. Protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room. This filing may also be viewed on the Internet at <http://www.ferc.fed.us/online/rims.htm> (call 202-208-2222 for assistance).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Notice upon each person designated on the service list compiled by the Secretary in the above-referenced docket.

Dated at Washington, D.C. this 23rd day of August, 2000.

Bradley R. Miliauskas