

ancillary services – namely, reactive supply and voltage control, regulation and frequency response, energy imbalance, spinning reserves, supplemental reserves and generator imbalance services.⁴

The CAISO's Compliance Filing inadvertently did not include this Order No. 890 change. In response to comments on the Compliance Filing submitted by Beacon Power Corporation ("Beacon"), the CAISO proposed to modify the CAISO Tariff to allow non-generation resources, such as Beacon's "flywheel" technology, to provide Ancillary Services, to the extent such modification is compatible with the CAISO's service model. Specifically, the CAISO proposed to amend Section 8.1 of the MRTU Tariff to provide that Bids for Regulation, Spinning Reserve, Non-Spinning Reserve, and Voltage Control may be submitted by a Scheduling Coordinator for a non-generation resource that meets applicable Ancillary Service standards and technical requirements and is certified by the CAISO to provide Ancillary Services. The CAISO stated that it planned to include this revision to the MRTU Tariff as part of a comprehensive filing to be submitted on December 21, 2007, that will contain numerous revisions to the MRTU Tariff.⁵

On December 3, 2007, Beacon filed a further answer in this proceeding in which it questioned the extent to which the revision to Section 8.1 proposed in the Answer would be sufficient to allow non-generation resources to provide ancillary services. Beacon argued that the proposed revision would be inadequate to comply with Order No. 890.

⁴ Order No. 890 at P 888.

⁵ Answer at 2-4. The MRTU Tariff is currently before the Commission in Docket No. ER06-615 and related dockets.

II. Supplement to Answer

In light of Beacon's argument that the CAISO's proposed modification to Section 8.1 of the MRTU Tariff would be inadequate to comply with Order No. 890, the CAISO believes it is appropriate for this issue to be addressed in the Order No. 890 proceeding rather than in the MRTU proceedings. Therefore, the CAISO revises the statement of intent in the Answer to propose the inclusion of the modification to Section 8.1 in a future compliance filing in this proceeding after the Commission acts on the CAISO's Compliance Filing, rather than include the proposed modification in its comprehensive MRTU Tariff filing.

III. Conclusion

For the reasons stated above, the CAISO requests that the Commission accept this supplement to the CAISO's Answer and issue an order consistent with the discussion in the Answer and in this supplement.

Respectfully submitted,

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Dated: December 19, 2007

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 proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C. this 19th day of December, 2007.

/s/ Bradley R. Miliauskas
Bradley R. Miliauskas