

June 9, 2016

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

**Re: California Independent System Operator Corporation
Compliance Filing
Docket No. ER16-897-004**

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”) submits this filing in compliance with the Commission’s May 31, 2016, order issued in this proceeding.¹

I. Background and Discussion

The May 31 order accepted the CAISO’s May 17, 2016, request for a limited waiver of tariff provisions necessary to allow a delay in the implementation of the new capacity procurement mechanism (CPM) and an extension of the currently effective CPM tariff authority. The CAISO has sought several delays to implementation, the most recent of which was presented in the May 17 filing. The May 31 order approved a delay until November 1, 2016, subject to the condition that the CAISO file revised tariff records to reflect the new implementation date, along with corresponding amendments to sections 43.1 and 43A.1 of the CAISO tariff.²

The CAISO hereby submits this compliance filing consistent with the Commission’s directive. Specifically, the CAISO resubmits sections 34.11, 39.10.3, 39.10.4, and 40.4.6.2, with a new effective date of November 1, 2016. Additionally, the CAISO amends the language of sections 43.1 and 43A.1 to reflect that the new CPM now becomes effective and the prior CPM now expires on November 1, 2016, and October 31, 2016, respectively. The revisions to sections 43.1 and 43A.1 have a requested effective date of September 25, 2016. The initial effective date of these two

¹ *Cal. Indep. Sys. Operator Corp.*, 155 FERC ¶ 61,215 (2016) (May 31 order).

² *Id.* at PP 1 & 9.

provisions was January 25, 2016, based on a planned March 1, 2016, implementation date. Each delay request has maintained a proportionate shift in the effective date of these two tariff provisions. The current requested effective date of September 25 maintains that relationship between the effective date of these two provisions and the overall implementation date of the new CPM.

II. Attachments

In addition to this transmittal letter, this compliance filing includes Attachments A and B. Attachment A contains clean CAISO tariff sheets reflecting the tariff revisions described above. Attachment B shows these revisions in red-line format.

III. Conclusion

The CAISO respectfully requests that the Commission approve the tariff modifications in Attachments A and B in compliance with the May 31 order. If there are any questions regarding this filing, please feel free to contact the undersigned.

Respectfully Submitted,
By: /s/ David S. Zlotlow

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Attachment A – Clean Tariff Records
Capacity Procurement Mechanism – Filing in Compliance with
May 31, 2016 Order in Docket No. ER16-897
California Independent System Operator Corporation
June 9, 2016

43.1 Applicability

This Section 43 shall apply to all designations of Eligible Capacity to provide CPM Capacity services under the CPM that commence prior to November 1, 2016. Designations of CPM Capacity and Flexible Capacity CPM not made through a CSP and in existence as of October 31, 2016 shall continue in effect and remain subject to the tariff provisions applicable at the time the designation of CPM Capacity or Flexible Capacity CPM was made, including the provisions concerning compensation, cost allocation and Settlement, until such time as the CPM resources have been finally compensated for their services rendered under the CPM prior to , and the CAISO has finally allocated and recovered the costs associated with such CPM compensation.

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43A.1 Applicability

This Section 43A shall apply to all designations of Eligible Capacity to provide CPM Capacity services under the CPM that commence on or after November 1, 2016.

Attachment B – Marked Tariff Records
Capacity Procurement Mechanism – Filing in Compliance with
May 31, 2016 Order in Docket No. ER16-897
California Independent System Operator Corporation
June 9, 2016

43.1 Applicability

This Section 43 shall apply to all designations of Eligible Capacity to provide CPM Capacity services under the CPM that commence prior to ~~June~~November 1, 2016. Designations of CPM Capacity and Flexible Capacity CPM not made through a CSP and in existence as of ~~May~~October 31, 2016 shall continue in effect and remain subject to the tariff provisions applicable at the time the designation of CPM Capacity or Flexible Capacity CPM was made, including the provisions concerning compensation, cost allocation and Settlement, until such time as the CPM resources have been finally compensated for their services rendered under the CPM prior to , and the CAISO has finally allocated and recovered the costs associated with such CPM compensation.

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43A.1 Applicability

This Section 43A shall apply to all designations of Eligible Capacity to provide CPM Capacity services under the CPM that commence on or after ~~June~~November 1, 2016.

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the 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, DC, this 9th day of June, 2016.

/s/ Daniel Klein
Daniel Klein