



California Independent  
System Operator Corporation

October 28, 2009

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426-0001

**Re: California Independent System Operator Corporation  
Docket No. ER09-1247-000  
Payment Acceleration**

Dear Secretary Bose:

On October 19, 2009, the California Independent System Operator Corporation ("ISO") filed proposed amendments to the ISO tariff to implement the payment acceleration program in compliance with the Commission's September 17, 2009 Order in this proceeding ("Compliance Filing"). Upon review of the Compliance Filing, the ISO has identified three inadvertent errors in the proposed tariff sheets for ISO Tariff Sections 11.1.5 and 11.29.8.5(c). The revised tariff sheets attached to this errata filing correct these errors.

#### **Section 11.1.5**

The Compliance Filing letter discussed amending ISO Tariff Section 11.1.5(b) to clarify that the CAISO's estimate of metered demand will be increased by 15 percent in those hours when total actual system demand in real time exceeded total estimated metered demand by more than 15 percent. The proposed tariff sheets, however, omitted the underlined language. The revised tariff sheets include that language and fully reflect the change described.

#### **Section 11.29.8.5(c)**

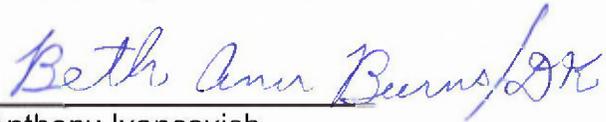
In the Compliance Filing, the proposed tariff sheets omitted the word "deny" from the requirement in Section 11.29.8.5(c) that the ISO make reasonable efforts to reach a determination to approve or deny a complex dispute within specified timelines. The revised tariff sheets add the omitted language.

The proposed tariff sheets for Section 11.29.8.5(c) misstated the timeline for the CAISO to reach a determination on a complex dispute resulting from a

Recalculation Settlement Statement T+18M as being no later than 15 months after the trading day (T+15M). The revised tariff sheets correct that timeline to no later than 33 months after the trading day (T+33M), which will allow an adjustment resulting from the dispute to be reflected on Recalculation Settlement Statement T+35M.

The ISO requests that the revised tariff sheets attached to this errata filing be accepted by the Commission with an effective date of November 1, 2009, coincident with the implementation date for the payment acceleration program.

Respectfully submitted,

A handwritten signature in blue ink that reads "Beth Ann Burns" followed by a stylized flourish or initials.

Anthony Ivancovich  
Assistant General Counsel  
Beth Ann Burns  
Senior Counsel  
California Independent System  
Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630  
Tel: (916) 351-4400  
Fax: (916) 608-7246

Attorneys for the California Independent  
System Operator Corporation

**Attachment A – Clean Sheets**  
**Payment Acceleration Compliance Filing Errata**  
**Fourth Replacement CAISO Tariff**  
**ER09-1247-001**  
**October 28, 2009**

- (b) CAISO Estimated Settlement Quality Meter Data for metered Demand will be based on Scheduled Demand by the appropriate LAP. This value will be increased by fifteen percent (15%) if the total actual system Demand in Real Time, as determined by the CAISO each hour, is greater than the total estimated metered demand by more than fifteen percent (15%). Total estimated metered demand is the sum of the value of Scheduling Coordinator submitted metered Demand, CAISO polled estimated Settlement quality metered Demand, and Scheduled Demand for unsubmitted metered Demand at the fifth (5) Business Day after the Trading Day (T+5B). CAISO Estimated Settlement Quantity Meter Demand for Participating Load will not be increased by fifteen percent (15%).

**11.2 Settlement of Day-Ahead Market Transactions.**

All transactions in the IFM and RUC as specified in the Day-Ahead Schedule, AS Awards and RUC Awards, respectively, are financially binding and will be settled based on the Day-Ahead LMP, ASMP or RUC Price for the relevant Location for the specific resource identified in the Bid. The CAISO will settle the costs of Demand, capacity, Energy and Ancillary Services as separate Settlement charges and payments for each Settlement Period of the Day-Ahead Schedule, Day-Ahead AS Award or RUC Award, as appropriate.

Coordinator shall identify the subsequent recalculation settlement statement expected to include the adjustment.

- (b) For a settlement statement dispute based on Recalculation Settlement Statement T+35M, the CAISO shall reach a determination to approve or deny the dispute, and provide electronic notice of the outcome to the Scheduling Coordinator that submitted the dispute, no later than fourteen (14) days after the end of the dispute period for that settlement statement. Valid disputes regarding data appearing on Recalculation Settlement Statement T+35M will be reflected on Recalculation Settlement Statement T+36M.
- (c) Complex settlement statement disputes involve policy considerations, entail extensive research, require granular review of previous market runs, include complicated data or calculations, or depend on additional information to be provided by the disputing Scheduling Coordinator or a third party. The CAISO in its sole discretion may designate a settlement statement dispute to be complex dispute. The CAISO will advise the disputing Scheduling Coordinator within twenty (20) Business Days after the end of the dispute period for that settlement statement if a dispute is a complex dispute. The CAISO shall make reasonable efforts to reach a determination to approve or deny a complex dispute resulting from (i) an Initial Settlement Statement T+7B, Recalculation Settlement Statement T+38B, or Recalculation Settlement Statement T+76B, no later than fifteen (15) months after the Trading Day so that any resultant adjustment will be included on the Recalculation Settlement Statement T+18M, and (ii) a Recalculation Settlement Statement T+18M, no later than thirty-three (33) months after the Trading Day so that any resultant adjustment will be included on the Recalculation Settlement Statement T+35M.

**Attachment B – Blacklines**  
**Payment Acceleration Compliance Filing Errata**  
**Fourth Replacement CAISO Tariff**  
**ER09-1247-001**  
**October 28, 2009**

\* \* \*

#### **11.1.5 Settlement Quality Meter Data for Initial Settlement Statement T+7B Calculation.**

The CAISO's Initial Settlement Statement T+7B shall be based on the Settlement Quality Meter Data (actual or Scheduling Coordinator estimated) received in SQMDS. In the event Actual Settlement Quality Meter Data or Scheduling Coordinator Estimated Settlement Quality Meter Data is not received from a Scheduling Coordinator or CAISO Metered Entity, the CAISO will estimate Settlement Quality Meter Data for that outstanding metered Demand or Generation for the Initial Settlement Statement T+7B calculation.

- (a) CAISO Estimated Settlement Quality Meter Data for metered Generation will be based on total Expected Energy and dispatch of that resource as calculated in the Real-Time Market and as modified by any applicable corrections to the Dispatch Operating Point for the resource.
- (b) CAISO Estimated Settlement Quality Meter Data for metered Demand will be based on Scheduled Demand by the appropriate LAP. This value will be increased by fifteen percent (15%) if the total actual system Demand in Real Time, as determined by the CAISO each hour, is greater than ~~fifteen percent (15%) of the~~ total estimated metered demand by more than fifteen percent (15%). Total estimated metered demand is the sum of the value of Scheduling Coordinator submitted metered Demand, CAISO polled estimated Settlement quality metered Demand, and Scheduled Demand for unsubmitted metered Demand at the fifth (5) Business Day after the Trading Day (T+5B). CAISO Estimated Settlement Quantity Meter Demand for Participating Load will not be increased by fifteen percent (15%).

\* \* \*

#### **11.29.8.5 CAISO Timeline for Determining Settlement Statement Disputes.**

The timeline for the CAISO to reach a determination on a settlement statement dispute shall be as follows:

- (a) For a settlement statement dispute based on an Initial Settlement Statement T+7B, Recalculation Settlement Statement T+38B, Recalculation Settlement Statement T+76B, or Recalculation Settlement Statement T+18M, the CAISO shall reach a determination to

approve or deny the dispute, and provide electronic notice of the outcome to the Scheduling Coordinator that submitted the dispute, no later than twenty (20) Business Days after the end of the dispute period for that settlement statement; with the exception of complex disputes or unless otherwise agreed to by the disputing Scheduling Coordinator. In the event that the CAISO's determination results in an adjustment to payments and/or charges, the CAISO in its notice to the disputing Scheduling Coordinator shall identify the subsequent recalculation settlement statement expected to include the adjustment.

- (b) For a settlement statement dispute based on Recalculation Settlement Statement T+35M, the CAISO shall reach a determination to approve or deny the dispute, and provide electronic notice of the outcome to the Scheduling Coordinator that submitted the dispute, no later than fourteen (14) days after the end of the dispute period for that settlement statement. Valid disputes regarding data appearing on Recalculation Settlement Statement T+35M will be reflected on Recalculation Settlement Statement T+36M.
- (c) Complex settlement statement disputes involve policy considerations, entail extensive research, require granular review of previous market runs, include complicated data or calculations, or depend on additional information to be provided by the disputing Scheduling Coordinator or a third party. The CAISO in its sole discretion may designate a settlement statement dispute to be complex dispute. The CAISO will advise the disputing Scheduling Coordinator within twenty (20) Business Days after the end of the dispute period for that settlement statement if a dispute is a complex dispute. The CAISO shall make reasonable efforts to reach a determination to approve or deny a complex dispute resulting from (i) an Initial Settlement Statement T+7B, Recalculation Settlement Statement T+38B, or Recalculation Settlement Statement T+76B, no later than fifteen (15) months after the Trading Day so that any resultant adjustment will be included on the Recalculation Settlement Statement T+18M, and (ii) a Recalculation Settlement Statement T+18M, no later than ~~fifteen (15)~~ thirty-three (33) months after the

Trading Day so that any resultant adjustment will be included on the Recalculation  
Settlement Statement T+35M.

\* \* \*

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above-referenced 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 28<sup>th</sup> day of October, 2009.



Daniel Klein