

September 22 2021

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

Re: California Independent System Operator Corporation

Docket No. ER21-2913-000

**Errata Filing of Rate Schedule No. 6889 and Request for
Privileged Treatment**

Dear Secretary Bose:

On September 21, 2021, the California Independent System Operator Corporation (CAISO) filed a tariff amendment in this proceeding to request the Commission to accept the Transferred Frequency Response Agreement (Agreement) between the CAISO and Tucson Electric Power Company (Tucson Electric) for filing. The CAISO included a document containing privileged information as Attachment C – Bid Comparison. However, the document filed referenced another entity's bid price. The CAISO requests that the Commission disregard the Attachment C documents in the CAISO's original filing, both privileged and public versions, and reference the correct Attachment C documents included herewith. The CAISO has served this filing on the same entities that were served with the original filing.

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Please contact the undersigned if you have any questions regarding the foregoing.

Respectfully submitted,

By: /s/ Andrew Ulmer

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel, Regulatory
Andrew Ulmer
Director, Federal Regulatory Affairs
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel. (916) 608-7209
Fax. (916) 608-7222
Email aulmer@caiso.com

*Attorneys for the California Independent
System Operator Corporation*

Privileged and Confidential Information Redacted Pursuant to 18 C.F.R § 388.112

**Attachment C – Bid Comparison
Transferred Frequency Response Agreement between
Tucson Electric Power Company and
California Independent System Operator Corporation
Errata Filing
September 22, 2021**

**Public Version
Privileged and Confidential Information Redacted**

Comparison of Transferred Frequency Response Bids¹

COMPANY	MW/0.1HZ	COST PER MW/0.1HZ	TOTAL COST	Equivalent Regulation Up price (\$ per MW)
Seattle				
Seattle				
Bonneville				
Seattle				
Tucson				
Bonneville				
Bonneville				
Tucson				
Bonneville				
Tucson				
Bonneville				
Chelan				
Tucson				
Bonneville				
Tucson				
Bonneville				
Tucson				
Bonneville				
Tucson				
Tucson				

¹ Bidders submitted multiple offers reflecting different quantities of transferred frequency response.

	COMPANY	MW/0.1HZ	COST PER MW/0.1HZ	TOTAL COST	Equivalent Regulation Up price (\$ per MW)
1					
2					
3	Bonneville				
4	Tucson				
5	Bonneville				
6	Tucson				
7	Bonneville				
8	Tucson				
9	Bonneville				
10	Tucson				
11	Tucson				
12	Chelan				
13	Tucson				
14	Tucson				
15	Tucson				
16	Tucson				
17	Powerex				
18	Grant				
19	Chelan				
20	Chelan				
21	Powerex				
22	Powerex				
23	Powerex				
24	Powerex				
25	Powerex				
26	Powerex				
27	Powerex				
28	Powerex				

The CAISO compared the cost of the bids received to the anticipated cost of ensuring compliance with BAL-003 through the procurement of additional regulation up. The CAISO's study used a two-part approach to estimate the costs of procuring additional regulation up capacity. The first step determines the quantity of regulation up capacity, which could provide desired frequency response without the procurement of transferred frequency response. The second step estimates annual increased market costs based on the increased hourly procurement requirements for regulation up and

1 additional contributing variables such as seasonality and energy market prices. The
2 CAISO employed a statistical learning model to perform a regression analysis, which
3 accounts for variability and uncertainty of various contributing factors. The results
4 provided a conservative estimated hourly cost of \$ [REDACTED] per MW for increased
5 regulation procurement to secure 41 MW/0.1 Hz.

6 For purposes of the 2020-2021 compliance year under Reliability Standard BAL-
7 003, the CAISO selected bids that were below its estimated cost of increased regulation
8 up. For transferred frequency response subject to the agreement with Tucson Electric,
9 its equivalent regulation up capacity price is \$ [REDACTED] per MW. The CAISO selected
10 Tucson Electric's 1 MW/0.1 Hz bid as part of a least cost award to multiple bidders to
11 meet a target requirement of 41 MW/0.1 Hz. The CAISO also selected 10 MW/0.1 Hz
12 from the City of Seattle and selected 30 MW/0.1Hz from Bonneville Power
13 Administration. These bids reflected the least cost means to meet the CAISO's
14 procurement target requirement of 41 MW/0.1 Hz.