

September 30, 2013

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

**Re: California Independent System Operator Corporation
Filing of Amended Service Agreement No. 2157
Docket No. ER13-____-000**

Dear Secretary Bose:

The California Independent System Operator Corporation (“ISO”) submits for Commission filing and acceptance the Second Amended Intra-Hour Scheduling Pilot Agreement (“Amended Pilot Agreement”) with the Bonneville Power Administration (“BPA”).¹ This agreement provides for an extension of a limited pilot program until the ISO implements FERC Order 764, which is planned for the second quarter of 2014, and BPA implements FERC Order 764. The ISO and BPA request the Amended Pilot Agreement be made effective on October 1, 2013 in order to allow the pilot program to continue uninterrupted.

I. The Purpose of and Background of the Pilot Program

The purpose of the Intra-Hour Scheduling Pilot Agreement is to facilitate a program that generally involves using dynamic e-Tags and electronic communications to facilitate intra-hour changes, on a half-hour basis, to transmission schedules for wind generation facilities in BPA’s balancing authority area that are scheduling into the ISO’s balancing authority area. The ISO’s transmittal letter in ER11-4243-000 provides more background and other information concerning the pilot program.²

¹ The ISO submits the Amended Pilot Agreement pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d and Part 35 of the Commission’s regulations, 18 C.F.R. Part 35, and in compliance with Order No. 714, *Electronic Tariff Filings*, FERC Stats. & Regs. ¶ 31,276 (2009).

² The ISO incorporates that information in this filing by reference to the record of ER11-4243-000.

The ISO filed with FERC the original Intra-Hour Scheduling Pilot Agreement with BPA on August 5, 2011 in Docket No. ER11-4243-000, and it was accepted by a Commission letter order issued on October 4, 2011. The First Amended Intra-Hour Scheduling Agreement to extend the term by one year was filed on August 24, 2012 in Docket No. ER12-2520-000, and accepted by a Commission letter order issued on October 22, 2012.

The ISO expects that the Amended Pilot Agreement's extension will remain in effect until the ISO implements FERC Order 764, which is planned for the second quarter of 2014, and BPA implements FERC Order 764. Although BPA is not FERC jurisdictional, BPA intends to implement FERC Order 764. In any event, the Amended Pilot Agreement will terminate on December 31, 2015 unless extended by agreement of the Parties and accepted by the Commission.

The intra-hour scheduling pilot should be permitted to continue until replacement scheduling practices are accepted by the Commission in compliance with FERC Order 764. The Parties continue to obtain the expected benefits and the eligible customers should be entitled to continuity until a replacement is in effect. The ISO is not aware of any reason the intra-hour scheduling pilot should be allowed to expire.

II. Effective Date

The ISO requests that the Amended Pilot Agreement included in the instant filing be made effective on October 1, 2013. The ISO requests waiver, pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), of the 60-day notice requirement set forth in Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3), and to the extent necessary, the ISO respectfully requests that the Commission grant any other waivers of Part 35 of its regulations that may be required in connection with the requested effective date. October 1, 2013 is the date the First Amended Intra-Hour Scheduling Pilot Agreement would otherwise expire, and is the date the ISO and BPA have agreed upon. Granting the requested effective date would allow the pilot program to continue uninterrupted until a replacement service is available, or December 31, 2015, and is therefore reasonable.

IV. Service

The ISO has served copies of this filing upon Bonneville Power Administration, the California Public Utilities Commission, and the California Energy Commission. In addition, the ISO has posted the filing on the ISO website.

Enclosed for filing is each of the following:

- (1) this letter of transmittal;

- (2) the Second Amended Intra-Hour Scheduling Pilot Agreement (Attachment A); and
- (3) a black-line showing changes from the Intra-Hour Scheduling Pilot Agreement (Attachment B).

V. Correspondence

The ISO requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

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* Individual designated for service pursuant to Rule 203(b)(3),
18 C.F.R. § 203(b)(3).

VI. Conclusion

The ISO respectfully requests that the Commission accept this filing and permit the ISO's submittal of the Amended Pilot Agreement to be effective as of the date requested. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,
By: /s/ John C. Anders
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