

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

California Independent System
Operator Corporation
Docket No. ER08-1364-000
September 29, 2008

Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, D.C. 20004

Attention: Bradley R. Miliauskas, Esquire
Attorney for the California Independent System
Operator Corporation

Reference: Resource-Specific System Resource Tariff Amendment and *pro forma* Agreement

Dear Mr. Miliauskas:

On August 6, 2008, you submitted, on behalf of the California Independent System Operator Corporation (CAISO), an amendment to the CAISO's Market Redesign and Technology Upgrade Tariff (MRTU Tariff) and a new *pro forma* agreement to be executed by Resource-Specific Resource (RSSR) owners.¹ The CAISO states that the MRTU Tariff amendment is intended to expand on and clarify the tariff provisions establishing the rights and obligations of RSSR owners. The CAISO describes a RSSR as an import into the CAISO Balancing Authority Area for which the resource owner identifies the specific resource that will provide the services it is bidding into the CAISO markets.

The CAISO notes that during the development of the MRTU Tariff, stakeholders requested the ability for RSSR owners to be eligible for Bid Cost Recovery, similar to owners of resources internal to the CAISO Balancing Authority Area (*i.e.*, Participating Generators). The CAISO states that it supports permitting resources that provide imports to be eligible for Bid Cost Recovery, provided that there is an appropriate mechanism to enforce the requirements associated with eligibility for payment. According to the CAISO, this proposed

¹ The CAISO states that the *pro forma* Agreement will be designated as Appendix B.13 to the MRTU Tariff.

mechanism can be achieved through both the *pro forma* RSSR Agreement and certain policy requirements to be provided for in the MRTU Tariff.²

The CAISO asserts that the *pro forma* RSSR Agreement is modeled on the *pro forma* Participating Generator Agreement (PGA), with select provisions modeled on the *pro forma* Dynamic Scheduling Agreement for Scheduling Coordinators (DSA SC). The CAISO contends that the *pro forma* RSSR Agreement is nearly identical to the *pro forma* PGA, the differences being requirements that are reasonable to apply specifically to RSSR owners, particularly in order for them to be eligible for Bid Cost Recovery. In addition to the RSSR Agreement, the CAISO proposes to specify a large portion of the applicable requirements in tariff language. Specifically, the CAISO has proposed: (1) a new MRTU Tariff section 4.12 to specify more clearly the rights and obligations of RSSR owners, (2) revised MRTU Tariff section 11.8 to ensure compliance through the submission of telemetry data rather than revenue meter data, and (3) revised sections 30.7.8, 30.7.9, and 30.7.10 to specify how each section now applies to RSSR units.

The proposed *pro forma* RSSR Agreement and MRTU Tariff amendment are accepted for filing, effective upon MRTU implementation, as requested.

This filing was noticed on August 12, 2008, with comments, protests or motions to intervene due on or before August 27, 2008. No protests or adverse comments were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This acceptance for filing shall not be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation, or practice affecting such rates or services provided for in the filed documents; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or any which may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the California Independent System Operator Corporation.

² The CAISO states that the following are the new policy requirements: (1) the execution of the RSSR Agreement by the RSSR owner; (2) the identification of the resource and associated technical characteristics for each resource for which the owner is seeking Bid Cost Recovery; and (3) the providing of telemetry data by the RSSR owner to the CAISO for compliance verification.

Docket No. ER08-1364-000

3

This action is taken pursuant to authority delegated to the Director, Division of Tariffs and Market Development - West under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Steve P. Rodgers, Director
Division of Tariffs and Market
Development - West

cc: All Parties

Document Content(s)

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