

Response to Stakeholder Comments on Draft Reliability Coordinator Services Agreement (RCSA) Reliability Coordinator Services Rate Design, Terms, and Conditions

RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
General comments	Idaho Power Company (IPC)	<p>Encourages and supports CAISO providing the same core RC Services, and the same high level of performance, as currently provided for the West by Peak Reliability. Believes that the tools and services provided by Peak—including, but not limited to, the real-time messaging tool and Enhanced Curtailment Calculator (ECC)—are critical to a high-functioning RC. Understands and appreciates that CAISO plans to offer these tools, and recommends changes below to ensure that they are addressed in the RCSA.</p> <p>Encourages CAISO to facilitate continued data sharing among RC Customers as exists today. Understands that CAISO hopes to continue to use the Universal Data Sharing Agreement. Encourages CAISO to work with Peak and potential RC Customers as soon as</p>	<p>The CAISO intends to retain tools similar to or the same as Peak or real-time messaging and the Enhanced Curtailment Calculator. The CAISO also intends to either take over the Universal Data Sharing Agreement or establish a similar agreement. Until then, entities that intend to become RC Customers can provide their data to the CAISO under the Letter of Intent and NDA already executed with the CAISO.</p>

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		possible to determine how best to continue to facilitate data sharing.	
Listing of parties	Bonneville Power Administration (BPA)	Proposes deleting the reference to the RC Customer being registered, because BPA does not have a registered place of business.	The CAISO anticipates that most RC Customers will have registered places of business and thus the reference is generally appropriate. However, the CAISO will work with BPA and other RC Customers without registered places of business to include references appropriate to them. Such changes would not be considered non-conforming and would not require a filing with FERC for acceptance.
Recital (A)	Arizona Public Service Company (APS)	<p>Notes that many of the executions of the RC Services Agreement could occur as early as November/December 2018. The certification timeline appears to extend past that date. Accordingly, proposes the following revision to accommodate the status of CAISO's certification regardless of the status of its RC certification process:</p> <p>"WHEREAS, the CAISO has registered with and <u>iswill be</u> certified by NERC as a Reliability Coordinator</p>	The CAISO agrees with the suggested change because the CAISO intended the language to account for the fact that it would only provide the service if certified, even if the agreement is executed prior to certification.

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		<p><u>prior to the RC Services Date identified in this Agreement;</u></p>	
Recitals (A)-(C)	BPA	<p>Proposes to revise the first three recitals to read:</p> <p>“A. WHEREAS, the CAISO, <u>as of the RC Services Date, is has</u> registered with and is certified by NERC as a Reliability Coordinator;</p> <p>B. WHEREAS, the RC Customer is registered with and certified by NERC has <u>[list NERC BA or TOP registrations]a Balancing Authority and/or Transmission Operator;</u></p> <p>C. WHEREAS, the RC Customer has <u>selected the CAISO to provide RC Services as of the RC Services Date; determined that there is a need for the RC Customer to identify a Reliability Coordinator for its operations, currently and into the foreseeable future;</u> and”</p> <p>With regard to recital (B), comments that the edit is in case CAISO executes the RCSA prior to being</p>	<p>The CAISO agrees with BPA’s proposal for recital A but not with the others.</p> <p>For recital B, the CAISO intentionally left the recital broad so that it could apply to any RC Customer. The detail of the type of RC customer is included in Article 5.3 of the RCSA.</p> <p>For recital C, the intent of the recital is to establish that the RC Customer has an obligation to have a RC. Regarding BPA’s comment, the intent is to not customize the body of the agreement for each RC Customer. The customization is in the boxes checked and the appendices to the RCSA.</p>



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		certified. With regard to recital (C), comments that It would be clearer if this was customized for each RC Customer.	
Recital (C)	Balancing Authority of Northern California (BANC)	<p>Proposes to revise the recital to read:</p> <p>“WHEREAS, the RC Customer has determined that there is a need for it <u>desires to contract with the RC Customer to identify a CAISO as its designated Reliability Coordinator for its operations currently; and into the foreseeable future and</u>”</p> <p>Comments that this seems more of an accurate factual statement. That BAs and TOPs need an RC is not really a determination of the customer but a requirement; the temporal description seems to add vagueness.</p>	The CAISO does not agree with the suggested revision because the intent of recital (C) is to establish that the RC Customer has an obligation to have a RC. Then recital (D) goes on to establish that the CAISO agrees to provide services to the RC Customer.
1.1.2	BANC	Proposes to change the listing of subsections therein from “and” to “or”, because it can be any of these categories of information, correct?	The CAISO agrees that the “and” should be an “or” in the listing of documents.
1.1.2	BPA	Proposes to revise the start of the section to read:	The CAISO agrees with this change. The CAISO will also be adding to the



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		<p>“Confidential Information: Documents, materials, data, or information (‘Data’) provided to it by any other Party that reflects or contains: . . . <u>(c) Critical Electric Infrastructure Information defined in Section 215A of the Federal Power Act and regulations published by the Department of Energy . . .</u>”</p> <p>Comments that the 2015 FAST Act, section 61003 added this section to the FPA and exempted such information from FOIA.</p>	<p>section the phrase “(d) pricing of third party vendor software costs for services under this agreement;” and existing subsection (c) will become subsection (e).</p>
1.1.2	Public Interest Organizations (PIO)	<p>Comment that the section seems overly broad and could restrict labs and universities from conducting essential studies for the benefit of the electric grid. There is a lot of needed PMU data that should be made public.</p>	<p>This comment seems inapplicable in the context of the RCSA. The agreement is solely between the CAISO and the RC Customer.</p>
1.1.4	Metropolitan Water District of Southern California (MWD)	<p>Requests that the ISO add “non-profit corporation” to the definition of a “Person”.</p>	<p>The CAISO agrees with this change.</p>



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1.1.5	BANC	Proposes to revise the start of the section to read: “The Reliability Coordinator services provided by the CAISO and described in Section 19 of the CAISO Tariff <u>and as otherwise required of a certified Reliability Coordinator by Reliability Standards.</u> ”	The requirement is already included multiple times in the tariff and does not need to be restated in the RCSA. In addition, the tariff defers to the standards in order of precedence, and changes or additions to the standards would be included in Section 19 of the tariff without the need for further amendment.
1.1.5	BPA	Proposes to revise the section to read: “The Reliability Coordinator services provided by the CAISO and described in Section 19 of the CAISO Tariff <u>and as otherwise required of a certified Reliability Coordinator by NERC Reliability Standards.</u> RC Services do not include the supplemental services also offered under this Agreement, as described in Sections 2.2.1 and 2.2.2 <u>of this Agreement and Sections 19.3 and 19.4 of the CAISO Tariff.</u> ”	See above.
1.1.6	Los Angeles Department of Water and Power (LADWP)	Questions if this section should be revised to incorporate the date established according to Section 19.2(4) of the CAISO Tariff. That tariff section explains how the date is	The RCSA provision already incorporates the date by reference to the tariff section. The date does not need to be restated in the RCSA provision.



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		established and this information is currently omitted from Section 1.1.6 of the RC Service Agreement.	
1.1.7	PIO	Assert that RC Customer should be defined as a Transmission Owner, Operator or BA.	The term RC Customer already is defined at the start of the RCSA as the entity signing the agreement, and, as stated in the recitals, is either a BA or a TOP. See also the CAISO's response to comments on the tariff concerning references to transmission owners.
1.2	LADWP	<p>Proposes the following edits:</p> <p>“1.2 Rules of Interpretation. The following rules of interpretation and conventions will apply to this Agreement:</p> <p>“(a) if <u>and to the extent a matter is specifically addressed by a provision of this Agreement, the provision of this Agreement shall govern notwithstanding any inconsistent provisions in there is any inconsistency between this Agreement</u> and Section 19 of the CAISO Tariff;¹⁷ Section 19 of the CAISO Tariff will</p>	The CAISO disagrees with the suggested change. The intent of this section of the RCSA, like the intent of similar sections in other <i>pro forma</i> CAISO agreements (see, e.g., Section 1.2 of the <i>pro forma</i> Scheduling Coordinator Agreement, Section 1.2 of the <i>pro forma</i> Participating Generator Agreement, and Section 1.2 of the <i>pro forma</i> EIM Entity Agreement), ¹ is that the tariff should prevail in the event of an inconsistency with the agreement.



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		<p>prevail to the extent of the inconsistency;</p> <p>(b) <u>if and to the extent this Agreement provides that a matter shall be determined in accordance with the applicable provisions of Section 19 of the CAISO Tariff, the applicable provisions under Section 19 of the CAISO Tariff shall govern; singular will include the plural and vice versa;</u></p>	
2.2	BPA	<p>Proposes to add the following language to the end of the section:</p> <p><u>“The CAISO shall at all times act in the interests of reliability for its overall Reliability Coordinator area and the western interconnection, and shall provide RC Services in a manner that does not unduly discriminate or give preference to any Balancing Authority or Transmission Operator, including itself. The CAISO shall establish a Reliability Coordinator Oversight Committee to receive RC Customer input and oversight of CAISO’s provision of RC Services -in</u></p>	<p>The CAISO believes the current language is sufficient. That language refers to Section 19 of the tariff and the CAISO’s obligations to deliver RC services in accordance with the NERC Reliability Standards. The CAISO does, however, does agree to add the following language: “The CAISO will establish a Reliability Coordinator Oversight Committee in accordance with Section 19.11 of the CAISO Tariff.”</p>



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		<p><u>accordance with Section 19.11 of the CAISO Tariff.</u></p>	
2.2	LADWP	<p>Questions what the CAISO will do to ensure that there are no gaps for customers in receiving RC services as the service provider shifts from Peak to CAISO.</p> <p>LADWP poses the question if the CAISO would be willing to include some language in the RC Service Agreement to address RC Customers' concerns of potential gap in service, which may lead to RC Customers' non-compliance of Reliability Standards.</p>	<p>The CAISO believes that any potential for gaps should be covered in a transition agreement, because addressing the potential for gaps will require agreement among the CAISO, the RC Customer and Peak, and Peak is not a signatory to the RCSA.</p>
2.2.1	IPC	<p>Requests clarification regarding which HANA services CAISO will offer and requests that a list of available HANA services be provided to potential RC Customers as soon as possible. Also suggests that the new proposed Schedule 4 to the RCSA could be used to document the HANA services that the RC Customer elects to take.</p>	<p>The list of HANA services has already been provided to the RC Customers who executed the LOI and NDA.</p> <p>The CAISO did not include the listing of HANA services in the RCSA because they may change annually and will be posted on the CAISO's website.</p>

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			Please see the discussion below on the proposed addition of Schedule 4 to the RCSA.
2.2.1	LADWP	<p>Comments that the way the language is currently written, it is missing a discussion of the initial services. Further comments that it appears services are provided on an October 1 through September 30 basis, and not on a calendar year basis.</p> <p>Additionally, proposes the following modifications to the language:</p> <p>“Hosted Advanced Network Application (HANA). The CAISO agrees to provide HANA services to the RC Customer at its request for an additional charge, as set forth in Section 19.3 of the CAISO Tariff. <u>The RC Customer shall notify CAISO of initial HANA services the RC Customer desires to take in accordance with Section 19.3(c) of the CAISO Tariff. Each year October 1 thereafter, the RC Customer will notify the CAISO in writing by October 1 as to which HANA services it is electing</u></p>	<p>The CAISO agrees that the tariff and the RCSA should be trued-up to ensure consistency between them.</p> <p>The HANA services for the year after the startup year are intended to be for the calendar year, January 1 – December 31, and the election is 90 calendar days in advance to allow for certificate and security changes, and training if required. To address the issues raised by LADWP, the CAISO proposes the following changes to the section:</p> <p>“The CAISO agrees to provide HANA services to the RC Customer at its request for an additional charge, as set forth in Section 19.3 of the CAISO Tariff as follows:</p> <p><u>(a) The RC Customer shall notify CAISO of initial HANA services the RC Customer desires to take in accordance with Section 19.3(c) of the</u></p>



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		<p>to take for the <u>next 12 months ending September 30</u>following calendar year. If the RC Customer does not provide such notice to the CAISO by October 1, the CAISO will continue to provide the RC Customer with the same HANA services it is providing to the RC Customer during the period that ended September 30then current year.</p> <p><u>If the RC Customer elects to receive HANA services, the RC Customer agrees to pay for three years of services regardless of whether it takes HANA services for the entire three year term, and will be invoiced one-third of that amount annually during the initial three year term. Thereafter, the RC Customer will be invoiced annually for HANA services as described above.</u></p> <p>Further questions: 1) Does the 3 year obligation apply only to the initial group of customers that purchase both RC and HANA services, or does it apply to each customer thereafter that decides to purchase both RC and</p>	<p><u>CAISO Tariff and shall pay for such services for the remaining portion of the initial calendar year. The start date of taking the initial HANA services will establish the anniversary date for the minimum three years of taking the HANA services.</u></p> <p><u>(b)</u> Each <u>subsequent</u> year, the RC Customer will notify the CAISO in writing by October 1 as to which HANA services it is electing to take for the following calendar year. If the RC Customer does not provide such notice to the CAISO by October 1, the CAISO will continue to provide the RC Customer with the same HANA services it is providing to the RC Customer during the then current year.</p> <p><u>(c)</u> If the RC Customer elects to receive HANA services, the RC Customer agrees to pay for three years of services regardless of whether it takes HANA services for the entire three year term, and will be invoiced one-third of that amount annually during the initial three year</p>



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		<p>HANA services; 2) Does the 3 year obligation apply to the customer or each service the customer takes. For example, each October 1st, the HANA services can change, does the 3 year obligation apply only to the HANA services taken during the initial year in which HANA services are provided to the customer or is there a 3 year funding obligation for each HANA service the customer takes, i.e. if additional services are taken after the initial year, there is a 3 year funding obligation for each later acquired service; 3) If the initial year of services is less than 12 months, are the fees for those services prorated; likewise, if the service is terminated during the 12 month period by CAISO, is the fee for the terminated service prorated; 4) Since CAISO can change the HANA service at any time by changing its BPM, how are fees adjusted to coincide with the change in services?</p>	<p>term. Thereafter, the RC Customer will be invoiced annually for HANA services as described in Article 2.2.1(b) above.”</p> <p>In response to LADWP’s further questions:</p> <ol style="list-style-type: none"> 1) The three-year period applies to all RC Customers that purchase HANA services. 2) No, the three-year start-up obligation does not change. 3) Yes, because the initial calendar year will be less than 12 months, the cost will be prorated for that period. The date the RC Customer starts taking the HANA services will be the anniversary date for the RC Customer’s three-year period. 4) HANA service fees will be posted on the CAISO’s website by September 1 each year so that the RC Customer has the information needed to make the decision whether to continue or stop services by October 1.



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2.2.1	PIO	<p>Request that a definition and description of HANA services be directly included in this RCSA document.</p> <p>Also propose to revise the second sentence in the section to read:</p> <p>“Each year, the RC Customer will notify the CAISO in writing by October 1 as to which HANA services it is electing to take for the following calendar year, <u>and will be posted on the CAISO website.</u>”</p>	<p>The CAISO declines to add further descriptions of HANA services to the RCSA. These services are not RC-required functions. As such, it is appropriate to maintain the flexibility for the CAISO and customers to refine and provide implementation detail regarding the scope of these services through the BPM.</p> <p>The CAISO does not see any particular need or value to posting which customers are receiving which services.</p>
2.3	MWD	<p>Suggests more clarification for the description of RC Customer Responsibilities section for RC Customers who offer Transmission Operator services to multiple Transmission Operators in different Balancing Authority Areas such as append the following at the end of Section 2.3.</p>	<p>The CAISO agrees to add clarifying language.</p>



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		<p>Comments that this is per Section 19 of the CAISO Tariff, which states:</p> <p>“A separate RCSA is envisioned depending on the RC Customer responsibilities: (i) Balancing Authorities, (ii) Transmission Operators in Balancing Authority Areas External to CAISO; and (iii) Transmission Operators in the CAISO BAA.”</p>	
2.4	LADWP	<p>Questions whether there is a customer to check “all” that applies?</p> <p>Proposes the following language be added to the end of Section 2.4:</p> <p><u>“RC Customer shall notify CAISO in the event there is a change in the registered reliability functions applicable to the RC Customer.”</u></p>	The CAISO agrees to make these two proposed additions.
2.4(c)	PIO	<p>Comment that need to add another section here for Transmission Owner as relates to RC customer and Schedule 1 below.</p>	<p>Pursuant to its Board-approved proposal, the CAISO will only be contracting with BAs and TOPs, and as such there is no need to add a reference to TOs here. As PIO notes,</p>



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			the RC Customer is required to list TOs that it represents in Schedule 1.
2.5	BANC	<p>Proposes to revise the start of the section to read:</p> <p>“Each RC Customer that is a Balancing Authority will provide the CAISO with a list of the Transmission Operators and corresponding Transmission Owners it is representing for RC Services in Schedule 1, <u>if any</u>.”</p> <p>Comments that BANC would like to clarify that the quoted language is intended to put the BAs in a collection role for TOPs that chose not to sign up for an RC? This cross-references Section 5.3.</p>	<p>The CAISO agrees to add this language. For clarification, if the BA is also a TOP or TO, it would list itself in Schedule 1.</p> <p>Article 2.4 establishes the “collection role” for each entity. The CAISO will use Schedule 1 of the RCSA to ensure that all entities taking RC services from the CAISO have executed the RCSA.</p>
2.5	BPA	<p>Proposes to revise the section to read:</p> <p>“Identification of Transmission Operators and Transmission Owners.” Each RC Customer that is a Balancing Authority will provide the CAISO with a list of the Transmission Operators and corresponding</p>	<p>The CAISO does not agree with the suggested changes. Not all transmission operators in the west own the transmission facilities that they operate. Therefore, the CAISO needs to know the relationship between the TOPs and the TOs.</p>



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		<p>Transmission Owners it is representing for RC Services in Schedule 1. Each RC Customer that is a Transmission Operator will provide the CAISO with a list of the Transmission Owners it is representing for RC Services in Schedule 1 and will identify the Balancing Authority Area in which it and any Transmission Owners are located. Any changes to Schedule 1 will not constitute an amendment to this Agreement.”</p> <p>Questions why Transmission Owners are included? BPA does not believe Transmission Owners need to be identified.</p>	
2.5	LADWP	<p>Questions if an RC customer is an Operating Agent of a jointly owned project, then, as the OA does the RC customer need to identify those joint participants/owners? LADWP contemplates that if yes, then what rights/obligations would such joint participants/owners have if any, under this Agreement? Alternatively, if no, what rights/obligations would such</p>	<p>If the jointly owned transmission line is in the BAA, then the BA would list the TOP and TOs for the line. Assuming the BA is invoiced based on NEL, if the load for that TO is in the BAA, then the TO could request to be charged separately from the BAA. If the TO is not in the BAA, then it provides its information for the CAISO under the BAA in which it resides to</p>



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		joint participants/owners have, will they have to sign an Agreement with CAISO?	ensure that the load is accounted for. The only obligation for the BA is to include the applicable generation in its NEL calculation and, as the OA for the TOs, to perform all TOP functions required by the project agreement, including the TOP functions in the RCSA.
2.6	BANC	<p>Proposes to add this section to read:</p> <p><u>“Non-Jurisdictional Entities: For an RC Customer that is an exempt entity as described in section 201(f) of the Federal Power Act, 16 U.S.C. 824(f), CAISO acknowledges that this Agreement does not extend the Federal Energy Regulatory Commission’s (FERC) jurisdiction over the RC Customer.”</u></p> <p>Comments that this language is adopted from other agreements with non-jurisdictional entities.</p>	The CAISO agrees with this change.
2.6	BPA	<p>Proposes to add this new section:</p> <p><u>“Non-Jurisdictional Entities: For an RC Customer that is an exempt entity</u></p>	See above.



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		<p><u>as described in section 201(f) of the Federal Power Act, 16 U.S.C. 824(f), CAISO acknowledges that this Agreement does not extend the Federal Energy Regulatory Commission’s (FERC) jurisdiction over the RC Customer.”</u></p>	
2.6	Salt River Project (SRP)	<p>Proposes to add this new section to read:</p> <p><u>“Non-Jurisdictional Entities: For an RC Customer that is an exempt entity as described in section 201(f) of the Federal Power Act, 16 U.S.C. 824(f), CAISO acknowledges that this Agreement does not extend the Federal Energy Regulatory Commission’s (FERC) jurisdiction over the RC Customer.”</u></p> <p>Comments that since CAISO is putting provisions in its tariff associated with a service that is not subject to FERC jurisdiction, SRP would like the agreement to recognize that this framework does not confer FERC jurisdiction over exempt entities. In referring to this federal code section,</p>	See above.



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		the agreement retains the exemption without blurring any accountability an exempt entity may have under the reliability framework.	
3.2	MWD	<p>Requests that the CAISO add a new section to the Termination section that would address the unilateral termination of the RCSA by the CAISO for reasons other than default of an RC Customer under Section 3.2.1 of the RC Service Agreement. MWD proposes the following language:</p> <p>“The CAISO may terminate this Agreement by giving not less than a one year prior written notice of termination to the RC Customer for reasons other than the RC Customer’s default covered by Section 3.2.1. Further in accordance with Section 3.2.3, the CAISO will provide transition assistance to the RC Customer during the transition period.”</p>	The CAISO has had many internal discussions about this and while it thanks MWD for suggesting the new language, the CAISO would only unilaterally terminate the RCSA for default. Therefore, the new language is not needed.
3.2.1	BANC	Comments that BANC would like to work with the CAISO on the practical application of this mechanism. The	This type of material default language is included in other <i>pro forma</i> CAISO agreements (see, e.g., Section 3.2.1



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		<p>result of a termination by the CAISO would very possibly be sanctions by WECC/NERC. It is perhaps an understandable consequence of failure to pay, as there doesn't seem to be any other remedy. However, "material default" is not clear, and the obligations of the RC Customer under the Agreement go beyond payment. The sole remedy appears to be challenging the termination at FERC. There does not seem to be a good fit between the sanction understanding the obligations of the RC customer to ensure we don't get to this point.</p>	<p>of the <i>pro forma</i> Participating Generator Agreement and Section 3.2.1 of the <i>pro forma</i> EIM Participating Resource Agreement). "Material" means important or significant (see, e.g., the Black's Law Dictionary definition of the term). It is not possible to comprehensively describe each type of default that may constitute a material default.</p> <p>In any event, the RC Customer can be sure to avoid being in material default by meeting the terms and conditions of the RCSA. The CAISO assumes that the RC Customer will provide the data requested, follow RC instructions when directed, and pay its bills. In addition, there are NERC and WECC requirements that must be followed. In all instances there are remedies in the RCSA that the RC Customer can avail itself of prior to unilateral termination of the RCSA.</p>
3.2.1	IPC	<p>Recommends changes to Sections 3.2.1 and 3.2.2 to clarify when and how CAISO may terminate the agreement and to clarify when a</p>	<p>Please see the discussion above regarding Article 3.2.1. Because the RCSA is a <i>pro forma</i> agreement, the CAISO will use the Electric Quarterly</p>



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		<p>termination by the RC Customer would become effective. In Section 3.2.1, there appears to be a conflict or, at a minimum, confusion between the idea that CAISO may terminate “at any time” upon 30 days’ notice of termination and the specific timelines related to FERC requirements. Recommends edits to delete the words “at any time” to clarify that the language at the end of the paragraph regarding FERC requirements controls. Also recommends acknowledging that a default may be excused by reason of Uncontrollable Forces in accordance with Section 10.2 of the RCSA and moving some of the language to the end of the subsection to clarify the requirements. Specifically, proposes the following revisions:</p> <p><u>In the event The CAISO may terminate this Agreement by giving written notice of termination in the event that</u> the RC Customer commits any material default under this Agreement, which, if capable of being remedied, is not remedied within thirty (30) days after the CAISO has given</p>	<p>Report (EQR) process so that the RCSA will terminate as of the date determined by the CAISO, after it gives the required written notice to the RC Customer.</p> <p>With respect to Article 3.2.2, because the CAISO is not charging a start-up fee, the CAISO needs time to collect those costs and ensure a smooth transition to the new RC. The RC Customer may provide notice at any time but the termination date will be no earlier than 30 months from the RC Customer’s RC Services Date, provided the RC Services Date is April 1; otherwise, the termination date will be the following April 1. For example, if an RC Customer’s RC Services Date is November 1, 2019, the first opportunity to discontinue service would be April 1, 2023, provided notice is received by the CAISO prior to April 1, 2022.</p> <p>The CAISO agrees to make the following changes to address the comments to this provision.</p>



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		<p>written notice to the RC Customer of the default, unless the default is excused by reason of Uncontrollable Forces in accordance with Section 10.2 of this Agreement, the CAISO may terminate this Agreement at any time upon thirty (30) days prior written notice of termination. For avoidance of doubt, if the CAISO terminates the Agreement under this Section 3.2.1 prior to expiration of the Initial Term, the RC Customer will still be required to pay the RC Service Charge for the remainder of the Initial Term. Any outstanding financial right or obligation or any other obligation under the CAISO Tariff of the RC Customer that has arisen while that RC Customer was receiving services under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, will survive until satisfied. With respect to any notice of termination given pursuant to this Section, the CAISO must timely file a notice of termination with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The</p>	<p>3.2.1 Termination by CAISO. In the event the RC Customer commits any material default under this Agreement, which, if capable of being remedied, is not remedied within thirty (30) days after the CAISO has given written notice to the RC Customer of the default, the CAISO may terminate this Agreement at any time upon thirty (30) days prior written notice of termination. For avoidance of doubt, if the CAISO terminates the Agreement under this Section 3.2.1 prior to expiration of the Initial Term, the RC Customer will still be required to pay the RC Service Charge for the remainder of the Initial Term. Any outstanding financial right or obligation or any other obligation under the CAISO Tariff of the RC Customer that has arisen while that RC Customer was receiving services under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, will survive until satisfied. With respect to any notice of termination given pursuant to this Section, the CAISO must timely file a notice of termination with FERC,</p>



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		<p>filing of the notice of termination by the CAISO with FERC will be considered timely if: the filing of the notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination within sixty (60) days after issuance of the notice of default. This Agreement will terminate upon acceptance by FERC of such a notice of termination, or thirty (30) days after the date of the CAISO's notice of default if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders. <u>Any outstanding financial right or obligation or any other obligation under the CAISO Tariff of the RC Customer that has arisen while that RC Customer was receiving services under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, will survive until satisfied. For avoidance of doubt, if the CAISO terminates the Agreement under this Section 3.2.1 prior to expiration of the Initial Term, the RC Customer will still be required</u></p>	<p>or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the CAISO with FERC will be considered timely if: the filing of the notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination within sixty (60) days after issuance of the notice of default. This Agreement will terminate upon acceptance by FERC of such a notice of termination, or thirty (30) days after the date of the CAISO's notice of default if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>to pay the RC Service Charge for the remainder of the Initial Term.”</u></p>	
3.2.1	LADWP	<p>Questions what constitutes a “material default” in the context of this Agreement. Comments that the CAISO should not be able to terminate this Agreement before the RC Customer has shifted to a new RC service provider. Further states that if the RC Customer is still required to pay for services, then the CAISO should not be able to terminate the Agreement during the initial 3 year term of the Agreement.</p> <p>Questions that after the initial 3 year term, if the CAISO terminates the Agreement mid-year, is the RC Customer responsible for the full year’s fees or are they prorated? Additionally questions that if they are not prorated, then should the CAISO be allowed to terminate the Agreement mid-year when RC Customers are not provided with the same right to terminate mid-year?</p>	<p>Please see the CAISO’s response above to BANC’s comments about material default. If the CAISO does terminate the RCSA in advance of the end of the Initial Term, the customer will still owe the start-up costs to the CAISO. The RCSA needs a termination clause, which the CAISO would invoke solely in the event of a material default under the RCSA. It would be unreasonable to allow the RC Customer potentially to jeopardize reliability or put an undue burden on other RC Customers by not paying its bills over an extended period of time. The term cannot be extended until the end of the year because the sole reason for the termination is a material default.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
3.2.1	NaturEner USA, LLC, on behalf of NaturEner Power Watch, LLC and NaturEner Wind Watch, LLC (together, NaturEner)	States that while NaturEner understands the need for the CAISO to protect its finances by collecting the amounts owed to it by an RC Customer who has not paid its bill for the services it receives, NaturEner is concerned that the CAISO's termination timelines may be too short, given the extreme consequences that such termination may have both on that entity whose RCSA is proposed to be terminated as well as the CAISO's other RC Customers and the Western Interconnection in general. Similarly, the termination grounds of "any material default under this Agreement" are not clearly discernable, and what constitutes a "material default under this Agreement" should both be clarified as much as possible as well as limited to the greatest extent possible.	See the response to BANC above regarding what constitutes a material default. The CAISO's termination right would only be invoked for non-payment after notice is provided and the RC Customer nevertheless fails to pay the outstanding amount.
3.2.1	PacifiCorp	It is unclear what may constitute a material default under the RC Services Agreement. An absolute 30-day cure period may not be sufficient in all circumstances, and specific	Please see the discussion above on material default.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		circumstances may not create risks to either reliability or the ISO's financial position. Recommends addition of standard cure period language allowing parties to negotiate time required to cure material defaults, other than failure to pay.	
3.2.1	Portland General Electric Company (PGE)	<p>Encourages the ISO to reexamine its approach for RC customers who are in default of payment. While PGE appreciates the ISO extending the default period from 20 to 30 days, PGE recommends that the ISO consider a 60- or 90-day cure period before providing written notice of termination.</p> <p>Believes that there is a substantial risk with a short cure period that is incompatible with a "reliability first" approach. If this longer period would cause the ISO to incur costs, PGE asks that the ISO enumerate the challenges with a longer period and identify potential remedies (e.g., reliance on financial reserves, penalty, fee, etc.).</p>	The CAISO agrees to extend the default period to 60 days.

RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
3.2.1	SRP	<p>Asks how the CAISO defines “material default”? Should this be specifically defined?</p> <p>Suggests the specified termination period be expanded from 30 to 60 days to give the RC Customer time to address the issue. Also requests that all RC customers be alerted at the same to provide them an opportunity to engage if needed.</p> <p>Proposes to add the following sentence to the section:</p> <p><u>“CAISO shall inform all RC Customers at the time it sends written notice of termination to any RC Customer.”</u></p>	<p>Please see the discussion above. The CAISO agrees to add the quoted sentence.</p>
3.2.2	APS	<p>States that the section does not contemplate that default by CAISO could necessitate termination of the RC Services Agreement. To address this, recommends the following revisions to a sentence in the section that would lift the requirement for an RC Customer to pay the remainder of the RC Service Charge where</p>	<p>The CAISO cannot agree to this change. However, pursuant to the existing RCSA provision, an RC Customer can terminate the RCSA on 12 months’ notice (which is less than the 18-month period under the Peak Funding Agreement) and can even switch to another RC during the 12-month notice period if it believes the CAISO is somehow in default.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>termination was necessary due to CAISO’s default:</p> <p>“If the RC Customer gives the CAISO less than twelve (12) months’ notice after the Initial Term and is being billed directly for the RC Services in accordance with Section 5.3, the RC Customer will be charged an amount equal to the balance of the RC Service Charge remaining on the twelve (12) month required notice period <u>unless and except in the event that termination is necessitated by default by the CAISO under this Agreement.</u>”</p>	
3.2.2	BANC	<p>Proposes to add the following sentence to the end of this section:</p> <p><u>“For entities defined under Section 201(f) of the Federal Power Act, 16 U.S.C 824(f), termination will be effective upon twelve (12) months notice irrespective of acceptance by FERC.”</u></p>	The CAISO agrees with adding this language. As stated above, because these are <i>pro forma</i> agreements, they terminate immediately through the EQR process.
3.2.2	BPA	<p>Proposes to add the following language to the end of the section:</p>	See above.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>“For entities subject to FERC jurisdiction <u>under sections 205 and 206 of the Federal Power Act</u>, termination will be effective upon acceptance by FERC of notice of termination, or upon twelve (12) months if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders. <u>For entities not subject to FERC jurisdiction under sections 205 and 206 of the Federal Power Act, termination will be effective on April 1 following not less than twelve (12) months advance written notice after the Initial Term.</u>”</p> <p>Comments that given that this concerns a service that arises from section 215 of the FPA, in which all signatories are likely under the jurisdiction of FERC to some degree, BPA would like to clarify what is meant here.</p>	
3.2.2	IPC	Asserts that there seems to be a conflict or lack of clarity between the idea that the termination would be	Please see the discussion above regarding termination of the RCSA. The CAISO does not believe the



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>effective on April 1 of the year following the notice of termination being given and the idea that termination would become effective upon FERC acceptance or 12 months. Because the effective date of termination is unclear, recommends edits to Section 3.2.2 to clarify if the notice of termination is filed with FERC, then termination will be effective on the later of FERC acceptance or the April 1 effective date described at the beginning of the paragraph. If CAISO has otherwise complied with the requirements of FERC Order No. 2001 and related orders, termination will be effective upon the later of 12 months or the April 1 effective date. Specifically, proposes to revise the end of the section to read:</p> <p>“For entities subject to FERC jurisdiction, <u>if CAISO has filed a notice of termination with FERC,</u> termination will be effective upon <u>the later of acceptance by FERC of notice of termination, or the April 1 effective date described above.</u> If CAISO has</p>	<p>termination provisions need to be clarified.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>otherwise complied with the requirements of FERC Order No. 2001 and related FERC orders, termination will be effective upon the later of upon twelve (12) months after CAISO has complied with such requirements, or the April 1 effective date described above if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.</u>"</p>	
3.2.2	LADWP	<p>Proposes to add the following language:</p> <p><u>"If the RC Customer is not a public utility subject to FERC jurisdiction, the RC Customer's rights and obligations under this Agreement will terminate as of the termination date provided in the RC Customer's notice of termination, regardless of any action or inaction by FERC with respect to any application by the CAISO to terminate this Agreement."</u></p> <p>Also suggests the addition of language in the Agreement for the CAISO to continue providing service</p>	Please see the discussion above on this issue.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		(and RC Customer will pay for such service) after the notification to terminate and that such service continues until the RC Customer fully transitions to a new RC service provider, and that the CAISO will reasonably assist in the transition regarding of the reason for the termination, <i>i.e.</i> , even if it's for RC Customer default. Further states that seamless transition is necessary to ensure compliance of Reliability Standards and operational reliability.	
3.2.2	MWD	Comments that the "Termination by RC Customer" Section of the RC Service Agreement states that RC Customers who provide less than 12 months' notice of termination for RC Services that are " <u>being billed directly</u> " are responsible for the amount remaining on the 12 month required notice period. Questions that if an RC Customer, such as a Transmission Operator, is not billed directly, is the Balancing Authority responsible to make up such amounts on behalf of the departing Transmission Operator?	The CAISO agrees with this comment. However, the BA paying for the RC Customer that is not directly billed will still incur the cost until amendment of the RCSA to reflect the TOP's change of BA.

RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		Requests that the CAISO address this gap.	
3.2.2	PGE	Proposes to revise a sentence in the section to read: “This notice will be given on or before April 1 of the <u>then</u> current calendar year and such termination will become effective on April 1 of the following year.”	The CAISO believes the existing phrase “current calendar year,” when read in conjunction with the phrase “following year” later on in the same sentence, is accurate and clear.
3.2.2	SRP	Proposes to add the following sentence to the section: <u>“CAISO shall inform all RC Customers immediately upon receipt of a notice of termination from any RC Customer.”</u>	Please see the discussion above regarding termination.
3.2.3	APS	States that the section does not contemplate that default by CAISO could necessitate a transition away from CAISO and to another RC. To address this, recommends the following revisions that would lift the requirement for an RC Customer to pay for transition assistance where	The CAISO declines to remove the exemption for transition assistance to defaulting customers, because it believes the exemption is appropriate.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>termination was necessary due to CAISO’s default as follows:</p> <p>“Transition Assistance. Except in the case of a CAISO termination for a default by the RC Customer, if the RC Customer requests in their notice of termination, the CAISO will reasonably assist the RC Customer to transition to another Reliability Coordinator prior to the effective date of the transition, including providing data and assistance, provided that the RC Customer will reimburse the CAISO for its reasonable costs for such assistance <u>unless and except in the event that such transition is necessitated by default by the CAISO under this Agreement.</u>”</p>	
3.2.3	BANC	<p>Comments that since termination, even for cause, can affect the reliability of the interconnection, BANC would request that the ISO commit to assistance for the RC customer in any event.</p>	<p>The CAISO declines to remove the exemption for transition assistance to defaulting customers. This, however, is a separate issue from the reliability of the interconnection. The CAISO will continue to adhere to all NERC/WECC criteria with respect to its role as RC.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
3.2.3	LADWP	Questions if the phrase “prior to the effective date of the transition” should be changed to “prior to the effective date of the notice of termination”.	The phrase needs to remain “transition” because the notice of termination will have to provide a date in the future for the transition.
3.2.3	NaturEner	Argues that transition assistance contemplated to be provided by the CAISO referred to in Section 3.2.3 may be essential, not only to that RC Customer but to maintaining the reliability of the Western Interconnection in general, even if the termination is the result of an RC Customer default. Accordingly, NaturEner requests that the CAISO consider revising the provision to include language in ways which the CAISO could both be protected (e.g., requiring advance payment or a form of security) and also to provide such an entity with the opportunity for needed transition assistance, and thus that Section 3.2.3 be revised to permit assistance even to RC Customers which have defaulted as long as certain reasonable requirements are met.	Please see the CAISO response above on the same issue raised by BANC.
3.2.3	PacifiCorp	The exception for defaulting RC customers is unnecessary and could	There seems to be significant confusion regarding this language. To



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		lead to unintended reliability issues due to gaps between Reliability Coordinator oversight. If an event were to occur when the defaulting RC customer was in-between Reliability Coordinators, there could be insufficient coordination to maintain system reliability and prevent cascading issues affecting other balancing authority areas in the West.	be clear, this language only relates to the CAISO providing the customer with transition assistance. The language does not state, and is not intended to imply, that the CAISO would fail to adhere to applicable NERC/WECC criteria or refuse to coordinate with other RCs/entities.
3.2.3	SRP	Comments that since any transition affects reliability as a whole, why exclude anyone from transition assistance?	See the response above on this issue.
4.1	APS	Reiterates its request for clarification from CAISO on how penalty allocations to a non-federal governmental entity such as BPA will be handled, e.g., will their NEL be considered in the overall allocation of penalties and amounts allocated to them be considered uncollectable, will their NELs be excluded and such amount allocated across the remaining population of payers, or will another allocation method be utilized? Asserts that the current RC Services Agreement and draft tariff language	The RCSA includes a provision that reserves BPA's right to protest an allocation to a federal entity of penalties assessed upon the CAISO as the RC. BPA and the CAISO disagree on whether such an allocation would be legally permissible but have agreed to reserve all rights for BPA to protest such an allocation by the CAISO when and if it were to file with FERC for authorization to do so – the i.e., the CAISO would be barred from arguing that BPA had waived its right to protest since it

RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		are ambiguous as to whether such entities can or will be assessed portions of penalties.	signed the RCSA, which references a tariff provision that contemplates such an allocation. If and to the extent BPA were successful in such a protest before FERC, the CAISO would seek guidance from FERC with respect to the allocation otherwise attributable to BPA.
4.1	LADWP	Comments that the RC Customer should be able to allocate penalties to the CAISO to the extent that the CAISO was a contributing cause of the penalty to be issued to the RC Customer.	The CAISO disagrees that RC Customers would have the right under the CAISO tariff or the RCSA to allocate penalties directly to the CAISO. However, if penalties are attributed to RC Customers in their roles as BA or TOP, then the CAISO BA would be included in that assessment of penalties by WECC/NERC. If it were determined by NERC/WECC that the CAISO BA or TOP function was the sole cause of the penalty, then the CAISO BA would pay the entire cost. The CAISO BA is no different from any other RC Customer with respect to its BA and TOP functions.
4.1	PGE	While PGE appreciates the safeguards, including FERC approval,	For the reasons explained in the Draft Final Proposal, the CAISO continues



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>in the proposed tariff language, PGE reiterates its position from previous comments opposing the direct allocation of penalties to specific RC customers. Recommends that the ISO allocate penalties incurred in its performance of the RC function according to the same formula used for annual charges. PGE is open to direct allocation in the specific cases where the ISO incurs a penalty that is truly the fault of another entity, but there would have to be a clearly stated standard of proof to trigger the direct allocation. In PGE's view, however, direct allocation should be only for those exceptional circumstances where it is truly warranted; the norm should be that the penalty dollars are shared across the ISO's RC customers.</p>	<p>to maintain that the penalty allocation methodology reflected in the RCSA is appropriate. To reiterate, the CAISO would seek an allocation under Section 14.7 of the tariff only in an exceptional circumstance. Most if not all circumstances would be covered by the CAISO's operating reserve, which is recovered from the revenue collected from all CAISO customers, including RC customers and market participants according to their share of the total CAISO revenue requirement.</p>
5.2	BPA	<p>Proposes to add the following sentence:</p> <p><u>"The default MWh volume will be used to calculate the RC Customer's Net Energy for Load or Net Generation to the extent it fails to submit Net Energy</u></p>	<p>The CAISO agrees and will add the sentence in the section.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>for Load or Net Generation in accordance with Section 19.6 of the CAISO Tariff.”</u></p> <p>Comments that more context in this section would help. As written, it is not clear what these numbers are used for.</p>	
5.2	LADWP	<p>Proposes adding the following language:</p> <p>“5.2 Default MWh. At the time it executes this Agreement, the RC Customer will provide an initial default MWh volume in Schedule 1. The default MWh volume shall be calculated as follows:</p> <p>5.2.1 Default NEW MWh. The initial default Net Energy for Load MWh volume will be based on the previous year’s data provided by the NERC/WECC report on NEL for the Load Serving Entity multiplied by 1.25.</p> <p>5.2.2 Default NG MWh. The initial default Net Generation MWh volume will be based on the sum of the RC</p>	<p>It appears that LADWP did not propose any changes to the existing text. If LADWP has suggested edits, please provide them on the stakeholder call. Note that while the CAISO is amenable to clarification, the CAISO has generally reflected the default allocation explained in the final policy proposal approved by the CAISO Board, and the CAISO is not at liberty to adjust the formulation.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>Customer’s generator(s) installed capacity multiplied by a .90 capacity factor and multiplied by 8,760 hours per year. If the RC Customer’s installed capacity changes, the default Net Generation MWh volume set forth in Schedule 1 must be amended.</p> <p>5.2.3 Validation of Default MWh Amount. The CAISO reserves the right to request that the RC Customer provide it with data to validate the RC Customer’s stated default MWh amount in Schedule 1. The RC Customer agrees to provide in a timely manner such requested data necessary for the CAISO to perform such validation, and the CAISO agrees to use this information solely for this purpose.”</p>	
5.2.1	APS	Respectfully suggests that the proposed draft Tariff Language and the language proposed in the RC Services Agreement are in conflict relative to the calculation of the initial default Net Energy For Load (NEL) MWh. More specifically, the draft Tariff language at Section 19.6(b)(2)	APS is correct that the multiplier is only used in the instance where the RC Customer does not provide its data. The CAISO will amend the RCSA to reflect this.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>contemplates that the initial NEL submitted has no 1.25 multiplier and, in fact, such multiplier is only attached where an RC customer fails to submit its NEL pursuant to the draft Tariff language at Section 19.6(c). The language presented in Section 5.2.1 appears to attach the 1.25 multiplier initially even where the entity has appropriately submitted its NEL data. Further, the attachment of the multiplier has previously been explained as providing an incentive for RC Services Customer to submit timely, accurate NEL data. Accordingly, its application at the outset would be inconsistent with the information provided in Section 7, Reliability Coordinator Settlements Process, in the Reliability Coordinator Rate Design, Terms and Conditions, Draft Final Proposal, dated June 20, 2018. For these reasons, proposes removing the 1.25 multiplier from the RCSA section.</p>	
5.2.1	BPA	Comments that Section 19.6 of the Tariff seems to multiply this number	The CAISO agrees. Please see the CAISO response above.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		again by 1.25. It should only be multiplied once.	
5.2.1	MWD	Suggests removing the 1.25 adder for RC Customers outside of the CAISO's Balancing Authority Area that provide WECC-approved NEL in Section 5.2.1 of the RC Service Agreement (Default NEL MWh).	See above.
5.2.1	PGE	Requests that the ISO provide the basis for the proposed 1.25 multiplier for Net Energy for Load for the Load Serving Entity.	The CAISO, in collaboration with stakeholders, was trying to determine a multiplier that would provide the right incentive for the RC Customer to provide the data required on a timely basis, and 25 percent was the number that was considered through the stakeholder process and approved by the CAISO Board in the final policy proposal.
5.2.4	APS	Proposes the addition of the following new Section 5.2.4 to explain the addition of a multiplier where data is not submitted: <u>"5.2.4 Failure to Submit NEL or NG. Where the RC Customer fails to submit its NEL or NG, the default RC</u>	The CAISO is agreeable to making this kind of change to clarify that the Default NEL or Default NG is only used if the RC Customer fails to submit its data.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>services charge will be a product of the RC rate and 125% of the default NEL or default NG volumes estimated by the CAISO.</u></p> <p>[This proposed change was not, however, included in APS's separate document showing its suggested red-lined changes to the RCSA.]</p>	
5.3	APS	<p>Reiterates its initial concern that elections relative to billing must be validated and verified with the affected entities. Hence, recommends that a BA only be billed for TOPs for which it acknowledged inclusion in its billing through its provision of its Schedule 1 and a TOP only be billed for TOs for which it acknowledged inclusion in its billing through its provision of its Schedule 1. This is a small addition to CAISO's invoicing process that would give both CAISO and RC Services Customers greater confidence in the accuracy of invoices. For these reasons, proposes to revise a sentence in the section to read:</p> <p>"If the RC Customer is a Transmission Operator and does not elect to be</p>	<p>The CAISO's assumes that each BA will be billed for its entire BAA. The CAISO has provided the option for TOPs to elect direct billing as a convenience to customers. However, the CAISO prefers that this election be worked out between the TOP and BA prior to those entities executing their RCSAs, and that the CAISO not interject itself into such discussions or disputes. If a BA and TOP are unable to agree on the issue of direct billing, the CAISO will bill the BA directly until the question is resolved.</p>

RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>billed directly, the costs for its RC Services will be borne-invoiced to <u>by its Balancing Authority as identified in its Schedule 1 and confirmed in the Schedule 1 submitted by the identified Balancing Authority.</u></p>	
5.3	BANC	<p>Comments that BANC understands this is the way the funding agreement works with Peak, and BAs should be able to consolidate payment obligations within their BAs for applicable TOPs, but in the instance of the ISO which runs a market with payment schedules, it would be helpful to understand the rationale for putting the BAs in a collection role if they don't volunteer for this task.</p>	<p>Please see the CAISO's response above. Note that the CAISO's running of a market has nothing to do with the RC function it is undertaking. RC Customers are not required to be represented by scheduling coordinators, and the settlements and billing procedures are separate and distinct from the market settlement and billing provisions.</p>
5.3	BPA	<p>Proposes to revise the start of the section to read:</p> <p><u>"If the RC Customer is a Balancing Authority or a Transmission Operator outside of the CAISO Balancing Authority Area, or if it is a Transmissions Operator who elects to be billed directly in exchange for the RC Services provided by this Agreement,</u> said RC Customer will be</p>	<p>See the discussion above regarding why the BA is billed for the TOPs in their BAA as the default.</p> <p>The reason the CAISO is having both the TOPs and the BAs sign the RCSA is to ensure that the CAISO gets the correct model data and that transmission outages and limitations are included in the CAISO's RC model. This scenario is the reason for</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>invoiced for RC Services in accordance with Section 19.7 of the CAISO Tariff and will have the right to dispute the RC Services invoiced amount in accordance with Sections 19.7 and 19.10 of the CAISO Tariff. If the RC Customer is a Transmission Operator, and does not elect to be billed directly, the costs for its RC Services will be borne by its Balancing Authority.</p> <p>Comments that BPA does not believe that a TOP can bind a separate BA in this bi-lateral agreement. If the TOP wants the BA to pay the bill, it should not sign the RCSA and instead work with the BA. The BA would sign the RCSA and could agree to pay the TOP's share. Peak has a similar option in the funding agreement. For the same reason, also proposes to delete the checklist item in the section for "Transmission Operator (Billed to Balancing Authority)".</p>	<p>the box in Article 5.3(c) listing TOP (billed to BA). Article 5.3 also gives TOPs the option to be billed separately if they so elect with the BAs' knowledge. This does not represent the TOP "binding" the BA insofar as the default arrangement, absent election otherwise, is that that BAs will be invoiced for their entire BAA. If a BA wishes one or more TOPs to be directly billed, it is incumbent on the BA to work that out with its TOPs, which would then be reflected in the RCSA with the TOP.</p> <p>That being said, in an effort to address BPA's concern, the CAISO will amend this provision to clarify that the BA's designation in Article 2.4 will be given precedence over a conflicting TOP's designation. In addition, the CAISO will include changes to Schedule 1 that will carry through the BA designations with respect to TOPs in their BAA.</p>
5.3	LADWP	Proposes adding the following language as the first new sentence:	This change is in inconsistent with the CAISO's Board-approved proposal.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>“CAISO shall invoice and RC Customer shall pay for RC Services in accordance with Section 19.7 of the CAISO Tariff.”</u></p> <p>Also suggests revising the second paragraph to read as follows:</p> <p>“For billing purposes in accordance with this Section, the RC Customer represents that it is <u>registered with NERC for the following reliability functions within the Western Interconnection</u> either a-(check the box that applies):”</p> <p>Finally, suggests adding the following language under the check-list:</p> <p><u>“RC Customer shall notify CAISO in the event there is a change in the registered reliability functions applicable to the RC Customer.”</u></p>	<p>The CAISO does not believe this language is needed, as the RC Customer is executing the agreement with the representations and warranties contained in the RCSA.</p> <p>The CAISO agreed to this addition in response to LADWP’s comment on Article 2.4.</p>
6.1	APS	<p>For completeness, proposes to revise the section to read:</p> <p>“Each Party’s Confidential Information will be treated in accordance with <u>the NERC Operating Reliability Data</u></p>	<p>The CAISO agrees with this change.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>agreement and</u> Section 19.15 of the CAISO Tariff and any other applicable confidentiality or data sharing agreements in effect between the Parties.”</p>	
6.1	BANC	<p>Proposes to revise the section to read:</p> <p>“Each Party’s Confidential Information will be treated in accordance with Section 19.15 of the CAISO Tariff and any other applicable confidentiality <u>rules such as provided in the NERC Rules of Procedure,</u> or data sharing agreements in effect between the Parties. <u>To the extent there are conflicts between the Tariff, NERC Rules of Procedure, or other applicable data sharing agreement, the most restrictive shall govern.</u>”</p> <p>Comments that BANC’s solution may be inelegant. Our primary concern in proposing it is to work through the confidentiality issues here and in the Tariff so we avoid potential confusion.</p>	<p>The CAISO agrees to include the first proposed change, but not the additional sentence. Such conflicts would need to be resolved based on the specifics of the situation.</p>
6.1	LADWP	<p>Suggests the following edits since Section 19.15 of the CAISO Tariff</p>	<p>The CAISO sees no conflict between the existing language in Article 6.1</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>addresses CAISO’s receipt of RC Customer’s confidential information only:</p> <p>“Each Party’s Confidential Information will be treated in accordance with Section 19.15 of the CAISO Tariff and any other applicable confidentiality or data sharing agreements in effect between the Parties. <u>CAISO acknowledges RC Customer may be subject to public disclosure legal requirements and must comply with such legal requirements.</u>”</p>	<p>and LADWP’s duties under the Public Records Act and, therefore, declines to adopt this language.</p>
7.1	BPA	<p>Comments that BPA believes that section 22.9 of the CAISO tariff would pre-empt this section for federal entities.</p>	<p>The CAISO understands that this represents BPA’s position.</p>
7.1	LADWP	<p>Proposes the following edits:</p> <p>“This Agreement will be deemed to be a contract made under, and for all purposes will be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising</p>	<p>The CAISO agrees with these changes. As to the changes regarding exempt entities, the CAISO also agrees that similar changes proposed by BANC, BPA, and SRP should be made to Article 2.6.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>under or relating to this Agreement <u>to which the CAISO ADR Procedures do not apply</u> will be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission. <u>The CAISO acknowledges that a Party may be an exempt entity as described in section 201(f) of the Federal Power Act, 16 U.S.C. Section 824(f) and this Agreement does not extend the Federal Energy Regulatory Commission's jurisdiction over said Party.</u></p>	
7.1	SRP	<p>Proposes to add the following sentence to the section:</p> <p><u>“To the extent that issues involve an RC Customer’s status as a political subdivision of a state or any privileges and immunities related to such status, those issues shall be resolved in accordance with the laws of the state in which the RC Customer is a political</u></p>	<p>The CAISO declines to adopt this language, as it would inject considerable ambiguity into the RCSA and open the CAISO to unknown obligations and potential liabilities. In addition, the CAISO believes that arguments about the privileges and immunities clause are properly addressed to a court or FERC. To the extent this language is intended to</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>subdivision.</u>”</p> <p>Comments that this language is intended to capture the fact that there are rules that apply to political subdivisions of other states that require exhaustion of administrative remedies before filing suit or other privileges or immunities that an RC Customer may want to assert.</p>	<p>alter the choice of law that will be used to interpret the agreement, the CAISO cannot adopt the language, because the agreement should mean the same thing for each party. If there are specific provisions that conflict with state or local law, those specific conflicts should be addressed as they are identified but not after the fact through a generally applicable clause.</p>
8.1	BPA	<p>Proposes to revise the start of the section to read:</p> <p>“Except as expressly provided in this Agreement, neither Party <u>to this Agreement , nor any of its directors, officers, employees, consultants or agents</u> will be liable to the other Party under any circumstances, whether any claim is based in contract or tort, for any special, consequential, <u>punitive</u>, indirect or incidental damages . . .”</p>	<p>See the response to LADWP’s proposed changes below.</p>
8.1	BANC	<p>Proposes to revise the start of the section to read:</p>	<p>See below.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>“Except as expressly provided in this Agreement, neither Party <u>to this Agreement, nor any of its directors, officers, employees, consultants or agents</u>, will be liable to the other Party under any circumstances, whether any claim is based in contract or tort, for any special, consequential, <u>punitive</u>, indirect or incidental damages . . .”</p> <p>Comments that this simply clarifies what appears to be the intent of the section.</p>	
8.1	LADWP	<p>Proposes the following edits:</p> <p>“Except as expressly provided in this Agreement, neither Party, <u>nor any of its directors, officers, employees, consultants or agents</u> will be liable to the other Party under any circumstances, whether any claim is based in contract, or <u>in</u> tort, <u>in equity for any punitive, or otherwise,</u> for any special, consequential, indirect or incidental damages <u>of any nature whatsoever</u>, including, but not limited to, lost profits, loss of earnings or</p>	The CAISO agrees with these changes.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>revenue, loss of use, loss of contract or loss of goodwill, <u>or for any costs or expenses (including legal expenses)</u> arising out of or in connection <u>the performance or non-performance of its obligations with under</u> this Agreement or the services performed in connection with this Agreement.”</p>	
8.1	SRP	<p>Proposes to revise the start of the section to read:</p> <p>“Except as expressly provided in this Agreement, neither Party, <u>nor any of its directors, officers, employees, consultants or agents, shall will</u> be liable to the other Party under any circumstances, whether any claim is based in contract or tort, for any <u>punitive</u>, special, consequential, indirect or incidental damages . . .”</p> <p>Comments that this clarifies what SRP believes to be the parties’ mutual intent.</p>	See above.
8.2	PIO	Propose to hyphenate “third party” in the title and body of the section.	The CAISO agrees with this change.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
8.3	APS	<p>Asserts that given the potential combined market and reliability functions, any third-party indemnity should have the flexibility to encompass both market participants and RC Services Customers concomitantly and not to the exclusion of either. To ensure this flexibility, proposes to revise the end of the section to read:</p> <p>“ . . . except that any reference in Section 14 of the CAISO Tariff to Market Participants will be read as to <u>include</u> a references to the RC Customer and references to the CAISO Tariff will be read asto <u>include</u> references to this Agreement.”</p>	<p>The CAISO does not believe that the language as drafted would operate in the manner APS suggests. However, the CAISO is willing to make the changes proposed by APS as they do not change the intended meaning.</p>
8.3	BANC	<p>Proposes to correct a cross-reference from Tariff Section 14 to Tariff Section 14.4.</p>	<p>The CAISO agrees with this change and will amend Article 8.3 so that Section 14 of the tariff is incorporated therein for purposes of that particular provision of the RCSA.</p>
8.3	BPA	<p>Same suggested edit as BANC’s.</p>	<p>See above.</p>
8.3	LADWP	<p>Suggests the following edits:</p>	<p>The CAISO declines to adopt this language. The CAISO’s standard</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>“To the extent that the CAISO suffers any loss as a result of any third party claims arising out of the performance of this Agreement in violation of Section 8.2 herein, the CAISO will be entitled to seek recovery of such loss through Section 14 of the CAISO Tariff, except that any reference in Section 14 of the CAISO Tariff to Market Participants will be read as a references to the RC Customer and references to the CAISO Tariff will be read as references to this Agreement, <u>and except further to the extent that they result from intentional wrongdoing or gross negligence on the part of the CAISO or of its officers, directors, or employees. The CAISO shall give written notice of any third-party claims against which it is entitled to recovery under this Section to the RC Customer promptly after becoming aware of them. The RC Customer shall be entitled to control any litigation in relation to such third-party claims (including settlement and other negotiations) and the CAISO shall, subject to its right to be reimbursed against any resulting costs, cooperate</u></p>	<p>indemnification provisions, which include terms relating to intentional or grossly negligent conduct, are set forth in Section 14 of the tariff, and the CAISO will not agree to depart from them in this agreement.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>fully with the RC Customer in defense of such claims.</u></p>	
8.3	MWD	<p>Suggests rephrasing Section 8.3 of the RC Service Agreement, Recovery for Third Party Indemnity, in order to provide clarity as the reviewers understanding of the particular section. Suggests the following revision:</p> <p>“Recovery for Third Party Indemnity. To the extent that the CAISO suffers any loss as a result of any third party claims arising out of the <u>CAISO</u> performance of this Agreement in violation of Section 8.2 herein, the CAISO will be entitled to seek recovery of such loss through Section 14 of the CAISO Tariff, except that any reference in Section 14 of the CAISO Tariff to Market Participants will be read as a references to the RC Customer and references to the CAISO Tariff will be read as references to this Agreement.”</p>	<p>The intent of the reference to Article 8.2 is to narrow the scope of the indemnity to third-party claims that are prohibited and that may arise from the performance of the agreement, not just the CAISO’s performance. The CAISO agrees that the reference to Article 8.2 may be confusing and so will remove the phrase “in violation of Section 8.2 herein”.</p>
9.1	LADWP	<p>Questions if this Agreement can have simple dispute resolution procedure</p>	<p>Article 9.1 references Section 19.10 of the tariff for resolution of disputes, not</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		not tied to Section 13 of the CAISO Tariff, which seems very complicated. States that is amenable to Section 9.2 Limitation of Disputes, and that it's only suggested changed is that it should only be "Reliability Standards" since it is a defined term in the NERC Glossary.	<p>Section 13 of the tariff. The reference in Section 19.10 of the tariff to Section 13 is intended to address disputes not associated with settlements and billing. The CAISO's responses to stakeholder comments on Section 19.10 are included in the tariff matrix.</p> <p>Article 9.2 is only for disputes regarding compliance with NERC Reliability Standards. Please see the discussion below.</p>
9.1	PacifiCorp	Requests that the ISO revise the section to reference the parties' right under section 206 of the Federal Power Act to raise the dispute with the Federal Energy Regulatory Commission if the dispute cannot be resolved through alternative means. Also requests that this provision be replicated in the RC Services Tariff.	Section 13.1.1 of the tariff acknowledges the rights of a party to file a complaint under Section 206 of the FPA. Therefore, the RCSA does not need to include the same provision.
9.2	APS	Proposes to delete this section. The intent of the section as well as its applicability to the obligations of RC Services Customers is unclear. Also, previous versions of the oversight committee charter provide each RC	The intent of Article 9.2 is to recognize that NERC will handle disputes associated with compliance with the NERC Reliability Standards. Those disputes would not be heard through the CAISO's dispute process in Article



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>Services Customer with an independent right to address potential issues with any applicable regulator, FERC, NERC, WECC, etc. in Section VI. The newly proposed Section 9.2 conflicts with these previously agreed-upon principles.</p>	<p>9.1. The CAISO also disagrees that Article 9.2 conflicts with the agreed-upon review procedures that would be reflected in the Oversight Committee charter.</p>
9.2	BANC	<p>Proposes to revise the start of the section to read:</p> <p>“Any dispute that concerns compliance with the NERC Reliability Standards, including the CAISO’s <u>any Party’s</u> performance of the specific tasks and functions applicable to a Reliability Coordinator’s <u>Registered Functions</u>, will not be subject to dispute . . .”</p>	<p>The CAISO agrees with this suggested change.</p>
9.2	BPA	<p>Proposes to revise the section to read:</p> <p>“Any dispute <u>as to whether a Party is in that concerns</u> compliance with the NERC Reliability Standards, including a Party’s <u>the CAISO’s</u> performance of the specific tasks and functions applicable to it as a Registered Entity <u>a Reliability Coordinator</u>, will not be subject to dispute under this Agreement or the CAISO Tariff and</p>	<p>The CAISO believes the start of the provision should be revised as described above. With regard to BPA’s other suggested changes, the CAISO agrees that “agency” should be changed to “entity,” and the CAISO is agreeable to adding the following language:</p> <p><u>“Nothing in this Article 9.2 limits or affects the role of the Reliability</u></p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>may only be initiated and processed by the <u>entity agency</u> responsible for the enforcement of the NERC Reliability Standards pursuant to the agency rules of practice and procedure applicable to such claim or dispute. <u>Nothing in this Section 9.2 limits any rights the Reliability Coordinator Oversight Committee or RC Customers possess under the Reliability Coordinator Oversight Committee charter established pursuant to Section 19.11 of the CAISO Tariff.</u></p> <p>Comments that it is clarifying that WECC and NERC are not federal agencies.</p>	<p><u>Coordinator Oversight Committee as established by the charter pursuant to Section 19.11 of the CAISO Tariff.</u></p>
9.2	IPC	<p>Asserts that it is not appropriate to limit the RC Customers' ability to raise claims or disputes to any particular agency or venue. In particular, RC Customers must have the ability to raise claims or disputes regarding CAISO's performance of its obligations under the NERC Reliability Standards, the CAISO tariff, and the RCSA in any appropriate venue.</p>	<p>The CAISO does not believe the suggested change is needed. Article 9.2 was added to the RCSA to make clear that disputes relating to NERC Reliability Standards should be raised directly with NERC or another entity charged with enforcing those standards.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>Recommends the following changes to this section to reflect that an RC Customer may raise any claim or dispute, including those regarding compliance with the Reliability Standards and CAISO’s performance of its duties, in any appropriate venue:</p> <p><u>“Notwithstanding any other provision of this Agreement or Section 19 of the CAISO Tariff, an RC Customer may raise Any claim or dispute under this Agreement or Section 19 of the CAISO Tariff, that including concernings compliance with the NERC Reliability Standards, (including the CAISO’s performance of the specific tasks and functions applicable to a Reliability Coordinator), in any appropriate venue, including but not limited to will not be subject to dispute under this Agreement or the CAISO Tariff and may only be initiated and processed by the agency responsible for the enforcement of the NERC Reliability Standards pursuant to the agency rules of practice and procedure applicable to such claim or dispute.”</u></p>	

RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
9.2	LADWP	<p>Proposes the following language be added to Section 9.2:</p> <p>“Any dispute that concerns compliance with the NERC Reliability Standards, including the CAISO’s performance of the specific tasks and functions applicable to a Reliability Coordinator, will not be subject to dispute under this Agreement or the CAISO Tariff and may only be initiated and processed by the agency responsible for the enforcement of the NERC Reliability Standards pursuant to the agency rules of practice and procedure applicable to such claim or dispute.”</p>	<p>The CAISO disagrees with the suggested changes. LADWP does not provide a reason for deleting “NERC,” and to the best of the CAISO’s knowledge the only Reliability Standards are NERC’s. (The term NERC Reliability Standards already includes the WECC versions of the NERC Reliability Standards, and the term “Reliability Standards” defined in Appendix A to the tariff is not the correct reference.) Also, there are many NERC Reliability Standards, so dropping the plural “s” at the end of the term is not warranted.</p>
9.2	PGE	<p>Finds the language in this section overly restrictive. Believes that customers receiving RC services have the right under the NERC Rules of Procedure to initiate complaints regarding compliance with NERC Reliability Standards. Requests that the ISO revise Section 9.2 to conform with RC customer’s existing rights under NERC’s Rules of Procedure,</p>	<p>The CAISO does not believe the language is overly restrictive. As described above, Article 9.2 was added to the RCSA to make clear that disputes relating to NERC Reliability Standards should be raised directly with NERC or other entity charged with enforcing those standards.</p>

RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		and any other existing regulatory processes that might allow for such disputes.	
9.2	SRP	<p>Proposes to revise the start of the section to read:</p> <p>“Any dispute that concerns <u>the CAISO or RC Customer’s</u> compliance with the NERC Reliability Standards . . .”</p> <p>Comments that given the specific reference to CAISO’s obligations, SRP would like to clarify that it applies to RC Customers too.</p>	Please see the discussion above.
10.3	LADWP	<p>Suggests replacing all of Section 10.3 with the following language:</p> <p>“<u>The participation under this Agreement by a person which is not a public utility under the Federal Power Act, is subject in all respects to the laws and regulations of the state of its creation and to rate schedules adopted by its governing board under state law. FERC has exclusive jurisdiction to interpret this Agreement, and how it applies to such person.</u>”</p>	The CAISO declines to adopt this language, as the CAISO does not believe that it is necessary or warranted in the context of this agreement, which is limited to implementing the CAISO’s function as the Reliability Coordinator for customers. That function is a product of federal legislation that is not limited in scope in the same manner as, for example, Section 205 of the Federal Power Act. In other words, the activity governed by the agreement is



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>However, in the event that the person, subject to state court review, determines that a conflict exists between the applicable state law, regulations, or rate schedules and the provisions of this Agreement as interpreted by FERC, such state law, regulations, or rate schedules shall, effective upon the CAISO's filing with FERC as described below, govern with respect to the application of this Agreement to the person. Should the person determine that such a conflict exists, such person must submit in writing to the CAISO documents notifying the CAISO of the person's determination of such a conflict and explaining both the conflict (including what state laws, regulations or rate schedules, and what provisions of this Agreement, are at issue) and what actions the person is taking in response to that determination. The CAISO will review the documents submitted by such person and, if it determines that any modification to this Agreement that would become effective under this provision will not impair the efficiency of RC Services</u></p>	<p>governed exclusively by federal law, with California law serving as the federal rule of decision for contract interpretation and formation issues.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p><u>and will not make such person's continued participation in RC Service unduly discriminatory or preferential, the CAISO will file the documents provided by such person with the Commission. If the CAISO cannot make such a determination, then the CAISO will terminate this Agreement immediately and the modification to this Agreement described in the documents will not take effect. Such person shall notify the CAISO as soon as practicable after it identifies a potential conflict that it expects to ask its governing board to determine pursuant to this provision, and negotiate in good faith with the CAISO to modify this Agreement in a way that avoids the conflict."</u></p>	
10.3.2	LADWP	<p>Proposes the following edits:</p> <p>"By entering into this Agreement, no personfederal entity shall be deemed to have waived its rights to protest or challenge in any action or proceeding, any allocation of reliability related penalties, nor does any federal</p>	<p>The CAISO disagrees with the suggested change. The section is intended to apply specifically to a federal entity, not more broadly to any person or governmental entity.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<u>governmental</u> entity waive its sovereign immunity.”	
10.4	LADWP	Comments and suggests that only the RC Customer may assigned/transfer the Agreement with the CAISO’s prior written consent.	The CAISO agrees and has already made this change in the most recently posted draft RCSA.
10.4	PacifiCorp	This requirement could add unnecessary delays to corporate reorganizations and acquisitions. PacifiCorp requests that this language be revised to state that prior written consent is not required in the event of an assignment or transfer following the sale, acquisition, disposition, or merger of all, or substantially all, of the RC customer’s transmission assets.	The CAISO disagrees with the suggested revision. While the CAISO understands PacifiCorp’s request, the reliability of the grid is critical to the safety of the west. If the CAISO does not know who is responsible for the terms and conditions cited in this agreement at all times, reliability could be jeopardized.
Schedule 1	APS	Proposes to add a line to list “Default MWh”.	The CAISO agrees and has already made this change in the most recently posted draft RCSA.
Schedule 1	BPA	Proposes to delete the column listing “Transmission Owner (TO)”.	The CAISO disagrees with the suggested change. The CAISO wants this information because there are a number of TOs that have the same TOP in different BAAs, so the



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
			information is needed to reflect this nuance and ensure that all transmission in the BAA has a TOP.
Schedule 1	MWD	States that the reference to Section 5.3 should be changed to Section 5.2 in Schedule 1, RC Customer Required Information, in the RC Service Agreement. Comments that Section 5.2 references RC Customers who do not provide WECC-approved NEL.	The CAISO agrees and will make that change.
Schedule 2, Section 1	BPA	Proposes to revise the start of the section to read: “Notwithstanding Section 5.3 of the body of the Agreement, the CAISO will submit an monthly <u>annual</u> invoice to Bonneville and Western for RC Services for the preceding month <u>current year</u> . The invoice will contain information specified in 5 C.F.R. § 1315.9(b). The amount of the invoice will be paid on a monthly basis to the CAISO in an amount equal to 1/12 of the yearly <u>invoiced</u> amount calculated for Bonneville and Western, respectively, pursuant to Section 19.7 of the CAISO Tariff and	The CAISO disagrees with the suggested change. The CAISO does not have the infrastructure to bill the federal entities monthly, and annual invoicing is sufficient. The provision as drafted should satisfy BPA’s statutory restrictions.



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		<p>sent to the persons designated by Bonneville and Western.”</p> <p>Comments that for disbursement purposes, BPA needs to receive monthly invoices.</p>	
Schedule 4	IPC	<p>Recommends that CAISO adopt an additional schedule to the RCSA— Schedule 4—in which CAISO and the RC Customer could agree on the specific RC Services that CAISO will provide. Section 19.5(a) lists the RC Services generally, but the general list does not adequately cover some services that IPC believes are critical for a high-functioning RC to provide. For example, the list does not appear to include the real-time messaging service or the ECC. It is critical that these services and tools continue to be available as part of core RC Services, and Idaho Power understands that CAISO intends to offer them. However, they are not addressed in the current tariff or RCSA language. IPC recommends adoption of a new Schedule 4 to the RCSA to allow the RC Customer and</p>	<p>The CAISO disagrees with the suggested addition. The CAISO has revised the tariff to incorporate the services that IPC points out were missing from Section 19.5(a) of the tariff. All RC Customers will get the same services and therefore they should be listed in the tariff rather than the agreement.</p>



RCSA Section	Stakeholder	Stakeholder Comment	ISO Response
		CAISO to document, in detail, the services that CAISO will provide. Also proposes to cross-reference Schedule 4 in Sections 1.1.5 and 2.2 of the RCSA.	
Various	MID	Suggests adding language “and WECC Regional Reliability Standards” after references to NERC Reliability Standards throughout tariff language.	The CAISO believes these suggested changes are not required because the term NERC Reliability Standards already includes the WECC versions of those standards.