

Draft MRTU Tariff Language – Appendix A

This document contains proposed tariff language revisions to Appendix A that fall into three categories.

Category 1 (Blacklines with no shading) – compliance with Paragraphs 530, 1330 and 1345 of FERC's September 21, 2006 Order.

Category 2 (Blacklines with yellow shading) – clarification of inconsistencies in the MRTU Tariff provisions in conjunction with Paragraph 1330 of FERC's September 21, 2006 Order.

Category 3 (Blacklines with blue shading) – potential new substantive changes.

- The CAISO plans to post further revisions of Appendix A based on stakeholder review and comment over the next several months.
- The CAISO will be filing revisions to Appendix A with FERC on August 3, 2007.
- All comments should be submitted to: MRTUTariff@caiso.com
- Questions can be directed to Ean O'Neill at 916.608.7007.

All information contained in this draft of MRTU Tariff Appendix A is prepared for discussion and information purposes only and provided "as is" without representation or warranty of any kind, including without limitation, accuracy, completeness or appropriateness for any particular purpose.

THIS DOCUMENT CONTAINS PROPOSED REVISIONS IN "TRACK CHANGES" FORMAT. THE PROPOSED REVISIONS CONTINUE TO BE SUBJECT TO FURTHER REVIEW BY STAKEHOLDERS AND CAISO MANAGEMENT AND MAY CHANGE ACCORDINGLY. THE REVISIONS TO MRTU TARIFF – APPENDIX A CONTINUE TO BE A WORK IN PROGRESS.

Legend:

= Clarification of inconsistencies

= Potential new substantive changes

Blacklines With No Shading = Compliance changes

Load

An end-use device of an End-Use Customer that consumes Power.
 Load should not be confused with Demand, which is the measure of
Power that a Load receives or requires.

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Load Aggregation Point (LAP)

A set of Pricing Nodes as specified in Section 27.2 that are used for the submission of Bids and Settlement of Demand.

Load Distribution Factor (LDF)

A number that reflects the relative amount of Load at each PNode within a Load Aggregation Point. Load Distribution Factors determine how the aggregated Load at a given LAP is distributed to the associated power system Nodes. The sum of all Load Distribution Factors for a single Load Aggregation Point equals one.

Load Metric

A Load Serving Entity's level of Load in megawatts for a defined time period that is exceeded in only 0.5% of the hours of that time period based on historical or forecast Load data.

Load-Serving Entity (LSE)

Any entity (or the duly designated agent of such an entity, including, e.g. a Scheduling Coordinator), including a load aggregator or power marketer, that (a) (i) serves End Users within the CAISO Control Area and (ii) has been granted authority or has an obligation pursuant to California state or local law, regulation, or franchise to sell electric energy to End Users located within the CAISO Control Area; (b) is a federal power marketing authority that serves End Users; or (c) is the State Water Resources Development System commonly known as the State Water Project of the California Department of Water Resources.

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Load Shedding

The systematic reduction of system Demand by temporarily decreasing the Supply of Energy to Loads in response to transmission system or area capacity shortages, system instability, or voltage control considerations.

[NOT USED]

Local Capacity Area

Transmission constrained area as defined in the study referenced in Section 40.3.1.

Local Capacity Area Resources

Resource Adequacy Capacity from a Generating Unit listed in the technical study or Participating Load that is located within a Local Capacity Area capable of contributing toward the amount of capacity required in a particular Local Capacity Area.

Deleted: Load Zone
 Deleted: A standard set of nodes located within the CAISO Control Area that has been designated by the CAISO to simplify the submission of Demand Bids and Settlement.
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published by the ANSI ASC X12 committee.

Eligible Customer

(i) any utility (including Participating TOs, Market Participants and any power marketer), federal power marketing agency, or any person generating Energy for sale or resale; Energy sold or produced by such entity may be Energy produced in the United States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by Section 212(h)(2) of the Federal Power Act; and (ii) any retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by the Participating TO.

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Eligible Intermittent Resource

A Generating Unit that is powered solely by 1) wind, 2) solar energy, or 3) hydroelectric potential derived from small conduit water distribution facilities that do not have storage capability.

Emissions Cost [SEE 11.18; 4.9.14.3]

[To be defined]

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Encumbrance

A legal restriction or covenant binding on a Participating TO that affects the operation of any transmission lines or associated facilities and which the CAISO needs to take into account in exercising Operational Control over such transmission lines or associated facilities if the Participating TO is not to risk incurring significant liability. Encumbrances shall include Existing Contracts and may include: (1) other legal restrictions or covenants meeting the definition of Encumbrance and arising under other arrangements entered into before the CAISO Operations Date, if any; and (2) legal restrictions or covenants meeting the definition of Encumbrance and arising under a contract or other arrangement entered into after the CAISO Operations Date.

End-Use Customer or End-User

A consumer of electric power who consumes such power to satisfy a Load directly connected to the CAISO Controlled Grid or to a Distribution System and who does not resell the power.

End-Use Meter

A metering device collecting Meter Data with respect to the Energy consumption of an End-User.

End-Use Meter Data

Meter Data that measures the Energy consumption in respect of

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Local Furnishing Bond	Tax-exempt bonds utilized to finance facilities for the local furnishing of electric energy, as described in section 142(f) of the Internal Revenue Code, 26 U.S.C. § 142(f).
Local Furnishing Participating TO	Any Tax-Exempt Participating TO that owns facilities financed by Local Furnishing Bonds.
Local Market Power Mitigation (LMPM)	The mitigation of market power that could be exercised by an entity when it is needed for local reliability services due to its location on the grid and a lack of competitive supply at that location pursuant Section 39.7.
Local Publicly Owned Electric Utilities	A municipality or municipal corporation operating as a public utility furnishing electric service, a municipal utility district furnishing electric service, a public utility district furnishing electric services, an irrigation district furnishing electric services, a state agency or subdivision furnishing electric services, a rural cooperative furnishing electric services, or a joint powers authority that includes one or more of these agencies and that owns Generation or transmission facilities, or furnishes electric services over its own or its members' electric Distribution System.
Local Regulatory Authority (LRA)	The state or local governmental authority responsible for the regulation or oversight of a utility.
Local Reliability Criteria	Reliability Criteria unique to the transmission systems of each of the Participating TOs established at the later of: (1) CAISO Operations Date, or (2) the date upon which a New Participating TO places its facilities under the control of the CAISO.
Location	A reference to either a PNode or an Aggregated Pricing Node.
Location Code	The code assigned by the CAISO to Generation input points, and Demand Take-Out Points from the CAISO Controlled Grid, and transaction points from trades between Scheduling Coordinators. This will be the information used by the CAISO Controlled Grid, and transaction points for trades between Scheduling Coordinators. This will be the information used by the CAISO to determine the location of the input, output, and trade points of Energy Schedules. Each Generation input and Demand Take-Out Point will have a designated Location Code identification.

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Trading Hour, or 2) a Dispatch Instruction in the next Trading Hour. Residual Imbalance Energy may cross hourly boundaries, in which case the portion that lies between hourly transactions is classified and settled as a Ramping Energy Deviation.

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Residual Unit Commitment (RUC)

The process conducted by the CAISO in the Day-Ahead Market after the IFM has been executed to ensure sufficient Generating Units, System Units, System Resources and Participating Loads are committed to meet the CAISO Forecast of CAISO Demand.

Resource Adequacy Capacity or RA Capacity

The generation capacity of a Resource Adequacy Resource listed on a Resource Adequacy Plan and a Supply Plan.

Resource Adequacy Plan

A submission by a Scheduling Coordinator for a Load Serving Entity in the form required by the Business Practice Manual to satisfy the requirements of Section 40 of this CAISO Tariff.

Resource ID [SEE 30.5.2.2; DEFINITION OF "Resource Location"]
[NOTE: DEFINITION ADAPTED FROM DRAFT BPM FOR DEFINITIONS & ACRONYMS]

Identification characters assigned by the CAISO to Generating Units, Loads, Participating Loads, System Units, System Resources, and Physical Scheduling Plants.

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Resource Location

The Resource ID for a Generating Unit, Participating Load or System Resource.

Resource-Specific Settlement Interval LMP

The LMP at a PNode used for settlement of IIE, calculated as the IIE-weighted average, excluding the IIE weight for Residual Imbalance Energy, Energy from HASP Intertie Schedules, and Energy from Black Start and Voltage Support, of the individual LMPs for Dispatch Intervals within the given Settlement Interval for a resource, and if there is no Instructed Imbalance Energy, then it is calculated as the simple average of the individual LMPs for the Dispatch Intervals within the given Settlement Interval for a resource.

Resource-Specific System Resource [SEE DEFINITION OF "Extremely Long-Start Resource"]

A Dynamic or Non-Dynamic Resource-Specific System Resource.

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Resource-Specific Tier 1 UIE Settlement Interval

The price used to settle Tier 1 UIE as calculated pursuant to

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Price	section 11.5.2.1.
Resource Adequacy Resource <u>[TO BE MOVED]</u>	A resource that is required to offer Resource Adequacy Capacity. The criteria for determining the types of resources that are eligible to provide Qualifying Capacity may be established by the CPUC or other applicable Local Regulatory Authority and provided to the CAISO.
Resource-Specific ASMP <u>[TO BE MOVED]</u>	The Ancillary Services Marginal Price as determined pursuant to Section 11.10.
Responsible Participating Transmission Owner (or Responsible Participating TO or Responsible PTO) <u>[SEE 4.3.1.2]</u>	<u>The party providing transmission service under an Existing Contract listed in Appendix A of a Responsible Participating Transmission Owner Agreement and that is the Scheduling Coordinator for each Existing Right holder listed in Appendix A of that RPTOA, unless that Scheduling Coordinator responsibility is transferred pursuant to the provisions of the RPTOA.</u>
Responsible Participating Transmission Owner Agreement (RPTOA) <u>[SEE 4.3.1.2]</u>	<u>An agreement between the CAISO and a Responsible Participating Transmission Owner, a pro forma version of which has been accepted by FERC as a CAISO rate schedule in 88 FERC ¶ 61,077.</u>
Responsible Utility	The utility which is a party to the Transmission Control Agreement in whose Participating TO Service Territory the Reliability Must-Run Unit is located or whose Participating TO Service Territory is contiguous to the Participating TO Service Territory in which a Reliability Must-Run Unit owned by an entity outside of the CAISO Controlled Grid is located.
Revenue Meter Data Acquisition and Processing System (RMDAPS)	A collective name for the set of CAISO systems used to collect, validate, edit and report on Revenue Quality Meter Data.
Revenue Quality Meter Data	Meter data meeting the standards and requirements established and maintained by the CAISO.
Revenue Requirement	The revenue level required by a utility to cover expenses made on an investment, while earning a specified rate of return on the investment.
Revised Adjusted RMR Invoice	The monthly invoice issued by the Reliability Must Run Owner to the CAISO pursuant to the Reliability Must Run Contract reflecting any appropriate revisions to the Adjusted Reliability Must Run Invoice

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use such unavailable Energy in its CAISO Markets optimization. A hundred percent Pump Ramping Conversion Factor indicates all the Energy expended to pump water is available for Generation and the CAISO shall use only the available portions in its CAISO Markets optimization. The Pump Ramping Conversion Factor submitted in the Master File need not be based on physical characteristics of the resource and is adjustable by the Scheduling Coordinator.

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Pump Shut-Down Costs

A Bid Component submitted by Scheduling Coordinators for resources that are registered as a Pumped-Storage Hydro Unit that indicates the \$/MWh that the Scheduling Coordinator is willing to be paid to not pump.

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Qualifying Capacity

The maximum capacity of a Resource Adequacy Resource. The criteria for calculating Qualifying Capacity from Resource Adequacy Resources may be established by the CPUC or other applicable Local Regulatory Authority and provided to the CAISO.

Qualifying Facility

A qualifying co-generation or small power production facility recognized by FERC.

Queue Position

The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the CAISO.

RA-PIRP

A Participating Intermittent Resource whose output is being used to satisfy a Resource Adequacy Requirement.

Ramp Rate

The Bid component that indicates the Operational Ramp Rate, Regulation ramp rate, and Operating Reserve Ramp Rate for a Generating Unit, and the Load drop rate and Load pick-up rate for Participating Loads, for which the Scheduling Coordinator is submitting Energy Bids or Ancillary Services Bids.

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Ramping

Changing the loading level of a Generating Unit in a constant manner over a fixed time (e.g., Ramping up or Ramping down). Such changes may be directed by a computer or manual control.

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