



July 1, 2015

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

**Re: California Independent System Operator Corporation
Docket No. ER15- 1919-___**

**Amendment of Tariff Provision Effective Date: Energy
Imbalance Market Year One Enhancements – Phase 1**

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”) filed a tariff amendment to revise the CAISO tariff governing the Energy Imbalance Market on June 15, 2015, in this docket. The CAISO requested that the Commission permit the tariff amendment to become effective October 1, 2015, except for the amendments to sections 29.17 and 29.32, which the CAISO requested be made effective on September 15, 2015. It has since come to the CAISO’s attention that an additional tariff provision, section 11.5.4.1, should also be made effective September 15, 2015. This change in the effective date is necessary to support the settlement of EIM transfers as proposed in the June 15 filing. Accordingly, the CAISO files this amendment to request that the Commission make the proposed change to tariff provision 11.5.4 effective on September 15, 2015.¹

I. AMENDED TARIFF PROVISION EFFECTIVE DATE

The June 15, 2015 filing included a proposal to use available transfer capability for EIM transfers. These changes were largely reflected in section 29.17, for which the CAISO requested an effective date of September 15, 2015. One element of the proposal to use available transfer capability was to revise section 11.5.4 to provide for the calculation of the financial value of EIM transfers that will be used as part of the financial settlement of the real-time imbalance

¹ The CAISO submits this filing pursuant to Rule 205 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.205 (2014) and section 205 of the Federal Power Act, 16 U.S.C. § 824d (2012).

energy offset for each balancing authority area in the Energy Imbalance Market. The CAISO pointed out that it does not settle EIM transfers explicitly because a transfer represents the imbalance energy of resources supporting the EIM transfer, which the CAISO settles with the applicable scheduling coordinators at its location. However, to calculate the real-time imbalance energy offset for a balancing authority area, the CAISO settlement calculations must consider the financial value of the EIM transfer in order to balance supply and demand settlements within the balancing authority area. The CAISO accordingly proposed to use the system marginal energy cost, which is a component of the locational marginal price, to represent the value of the energy of the EIM transfer.

The CAISO's June 15 filing included this change to section 11.5.4 in the tariff provisions with an October 1, 2015 requested effective date. It has since come to the CAISO's attention that the proposed change to section 11.5.4 must be effective coincident with the changes to section 29.17. Currently, the CAISO calculates the financial value of the EIM transfer based upon the "Locational Marginal Price of the pricing node at the corresponding EIM Internal Intertie". With the implementation of revised section 29.17, the EIM transfer should be priced at the system marginal energy price, not the locational marginal price of the pricing node at the corresponding EIM intertie. Accordingly, the ISO requests that the tariff changes to section 11.5.4 be made effective September 15, 2015, at the same time as the changes to section 29.17.

II. EFFECTIVE DATE

The CAISO requests that the Commission permit the proposed amendment to section 11.5.4 effective on September 15, 2015. In addition, because the requested effective date associated with section 11.5.4 is associated with planned parallel operations with NV Energy and remains subject to implementation schedules, the CAISO commits to submit a further filing if the actual effective date slips by a few days to account for implementation planning.

III. COMMUNICATIONS

Correspondence and other communications regarding this filing should be directed to:

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IV. SERVICE

The CAISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted a copy of the filing on the CAISO website.

V. CONCLUSION

For the reasons set forth in this filing, the CAISO respectfully requests that the Commission issue an order by September 1, 2015 on an expedited basis that accepts the tariff revisions as proposed in the June 15 filing as amended by this filing.

Respectfully submitted,

/s/ John C. Anders
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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the above-referenced proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 1st day of July, 2015.

1st Anna Pascuzzo

Anna Pascuzzo