

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Western Electricity Coordinating  
Council**

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**Docket No. EL13-52-000**

**MOTION TO INTERVENE AND COMMENTS OF  
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator (“ISO”) respectfully moves to intervene and to file comments on the Western Electricity Coordinating Council’s (“WECC”) Petition for Declaratory Order.<sup>1</sup> In its Petition, WECC seeks a declaratory order establishing that the “RC Company” entity, which is in the planning process as part of WECC’s proposed corporate reorganization, will be funded pursuant to Section 215 of the Federal Power Act. The ISO agrees with, and supports, the objective of disaggregating the Regional Entity and Reliability Coordinator functions. The ISO believes, however, that WECC’s request for Commission approval of the funding mechanism for its new RC Company is premature and should not be addressed until the specifics of WECC’s reorganization are more fully developed and presented to the Commission. By waiting for a complete factual record, the Commission can ensure that its decision on this important issue is well informed and based upon a complete understanding of the structure ultimately established for the new entity, its role

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<sup>1</sup> The ISO makes this motion pursuant to Rules 211 through 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.211-385.214, and the Commission’s March 14, 2013 Notice of Petition for Declaratory Order and April 9, 2013 Notice of Extension of Time issued in this proceeding.

and responsibilities, and its relationship to WECC.

## **I. COMMUNICATIONS**

Please address all communications concerning this proceeding to the following persons:

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

## **II. MOTION TO INTERVENE**

The ISO is a non-profit public benefit corporation organized under the laws of the State of California, with a principal place of business at 250 Outcropping Way, Folsom, CA 95630. The ISO is the balancing authority area operator responsible for the reliable operation of more than 25,000 circuit miles of the electric grid comprised of the transmission systems of various utilities throughout the State of California. The ISO is also a Class One member of WECC under

WECC's existing by-laws and, in that capacity, is currently subject to mandatory assessments to fund WECC's Section 215 activities as the Regional Entity. WECC also currently functions as the Reliability Coordinator ("RC") for the balancing authority area operated by the ISO. As such, the ISO has a direct interest in this proceeding that cannot be adequately represented by any other party and should be permitted to intervene pursuant to Rule 214.

### **III. COMMENTS**

The question of how WECC's proposed RC Company should be funded will be an important one that the Commission should consider on the basis of a fully developed record. Although WECC and its stakeholders are diligently working through the various complex issues relevant to WECC's corporate reorganization, the ISO does not believe that these issues have been sufficiently resolved to permit a well-founded decision on the RC funding issue at this juncture. As WECC's Petition acknowledges, the key corporate documents that will govern the structure of the future RC Company entity, its governance, the rights and responsibilities of its members, and its relationship to the WECC Regional Entity have not been finalized and remain subject to ongoing stakeholder review and Board approval. For example, the corporate bylaws of both entities have not been finalized and are currently subject to a robust stakeholder comment period that may result in substantial changes to the most recently posted drafts. WECC also has not yet completed preparing, nor submitted for review, proposed revisions to the NERC-WECC delegation

agreement or the planned WECC-RC Company sub-delegation agreement that will establish the terms on which the RC Company would perform the Reliability Coordinator function and be paid for doing so by the WECC Regional Entity.

Without final, or at least near-final, versions of these documents to consider, the Commission and interested parties lack key information that will likely be important in determining the proper approach to funding the RC Company. In deciding this issue, the Commission and interested parties should know, for example, how the RC Company will perform its functions, what those functions specifically will entail, and the terms and conditions under which those responsibilities will be delegated from WECC to the RC Company. The governance structure under which each entity will operate, together with the rights and responsibilities that each entity's respective membership will have in ongoing governance of the entities, will also likely be important factors to consider in determining the appropriate funding mechanism for the proposed RC Company.

Although these matters will likely take several more months to be resolved, the ISO believes that the benefit of having such information outweighs any potential impact to WECC's schedule for reorganization. Moreover, because WECC's schedule contemplates that these issues will be addressed within the next several months, the impact, if any, on the schedule is likely to be minimal.

#### IV. CONCLUSION

For the reasons set forth above, the ISO respectfully requests that the Commission grant the ISO intervenor status in this proceeding and defer consideration of WECC's Petition until a fully- developed factual record is placed before the Commission for review.

Respectfully submitted,

**By: /s/ Burton A. Gross**

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Counsel to the California Independent  
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Dated: April 18, 2013

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists 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 18<sup>th</sup> day of April 2013.

*Is/ Anna Pascuzzo*  
Anna Pascuzzo