

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

Puget Sound Energy, Inc.)	
v.)	Docket No. ER14-1649-000
California Independent System)	
Operator Corporation)	

**MOTION FOR LEAVE TO INTERVENE AND PROTEST OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“CAISO”) submits this motion to intervene and protest pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission “(Commission)”, 18 C.F.R. §§ 385.211 and 385.214. In its notice dated April 3, 2014, the Commission has established that motions to intervene and comments must be filed by April 23, 2014.

This proceeding concerns Puget Sound Energy, Inc.’s (“PSE”) submittal on April 1, 2014, of information justifying the cost components of PSE’s March 9, 2014 bid, which was below the CAISO’s minimum bid price of -\$30 for energy bids (“bid floor”). The CAISO tariff allows bids below the bid floor, but in the event the ISO accepts a bid below the bid floor, the scheduling coordinator submitting the bid must provide the Commission and the CAISO after-the-fact cost justification. Although it has confidential information setting forth its rationale for its bid, PSE has not submitted adequate justification that it has actually incurred the costs justifying its bid. The Commission should direct PSE to supplement its filing with information justifying its actual costs. In the event such information is not adequate or not forthcoming, the transaction should be settled at the -\$30 bid floor price.

I. PROTEST

On April 1, 2014, PSE filed public and confidential versions of purported justification of the cost components of its bid. This justification is required under CAISO tariff section 39.6.1.4 which requires detailed information justifying the cost components of bids below $-\$30/\text{MWh}$, commonly referred to as CAISO's "soft bid floor."

Such justification is required pursuant to section 39.6.1.4 of CAISO's tariff, which states that:

Energy Bids into the CAISO Markets less than $-\$30/\text{MWh}$ are not eligible to set any LMP. If the CAISO dispatches a resource with an Energy Bid less than $-\$30/\text{MWh}$, the Scheduling Coordinator on behalf of the resources will be eligible to be paid the Bid price upon the submission of detailed information justifying the cost components of the Bid to the CAISO and FERC no later than seven (7) days after the end of the month in which the Bid was submitted. The CAISO will treat such information as confidential and will apply the procedure in Section 20.4 with regard to requests for disclosure of such information. The CAISO shall pay Scheduling Coordinators for amounts in excess of $-\$30/\text{MWh}$ minimum Bid price upon FERC acceptance of the information justifying the cost components.

Although it provided confidential information setting forth its rationale for its bid, PSE has not submitted adequate justification that it has incurred the costs. The Commission should direct PSE to supplement its filing with information justifying its actual costs. The cost-justification provisions quoted above were added to tariff section 39.6.1.4 in a compliance filing based on comments submitted by Southern California Edison Company ("SCE") noting that clarification was needed that "bids below $-\$30$ will only be paid after they are justified based on a showing of actual costs."¹ However, PSE has not provided the required actual-cost information. In the event such

¹ SCE comments, Docket No. ER06-615-000, at 57 (Apr. 10, 2006). See also *California Independent System Operator Corp.*, 116 FERC ¶ 61,274, at PP 1018, 1021 (2006) (explaining that "the CAISO agrees with SoCal Edison's comments regarding cost justification" and accepting ISO proposal to include cost-justification provisions in a compliance filing); *California Independent System Operator Corp.*, 119 FERC ¶ 61,313, at P 335 (2007) (accepting cost-justification provisions on compliance).

information is not adequate or not forthcoming, the transaction should be settled at the - \$30 bid floor.

II. MOTION TO INTERVENE

CAISO is a nonprofit public benefit corporation organized under the laws of the State of California, with a principal place of business at 250 Outcropping Way, Folsom, California. CAISO is an independent transmission system operator operating the transmission systems of its participating transmission owners. CAISO is a balancing authority and coordinates the ancillary services and electricity markets within its balancing authority area and operates under the terms of the CAISO tariff, which is on file with the Commission.

The CAISO tariff sets the bid floor for energy bids, which is the subject of PSE's filing. Accordingly, CAISO has a direct and substantial interest in this proceeding and requests that it be permitted to intervene with full rights of a party. Because no other party can adequately represent CAISO's interests in this proceeding, CAISO's intervention is in the public interest and should be granted.

III. COMMUNICATIONS

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

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V. CONCLUSION

The CAISO respectfully requests that the Commission grant its motion to intervene to, allow the CAISO to participate in the proceeding and require PSE to provide additional documentation to support its actual costs concerning its bid below the -\$30 bid floor.

Respectfully submitted,

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Counsel for the California Independent
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Dated: April 23, 2014

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each party listed on the official service list for these proceeding, 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, CA on April 23, 2014.

Anna Pascuzzo

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