

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

San Diego Gas & Electric Company,)	
Complainant,)	
)	
v.)	Docket No. EL00-95-085
)	
Sellers of Energy and Ancillary Services)	
Into Markets Operated by the California)	
Independent System Operator and the)	
California Power Exchange Corporation,)	
Respondents.)	
)	
Investigation of Practices of the California)	Docket No. EL00-98-085
Independent System Operator and the)	
California Power Exchange)	

**CLARIFICATION OF
REQUEST FOR REHEARING OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 215 of the Federal Energy Regulatory Commission's ("Commission's") Rules of Practice and Procedure, 18 C.F.R. 385.215, the California Independent System Operator Corporation ("ISO")¹ respectfully submits this correction and clarification of the request for rehearing of the Commission's June 22, 2004, Order on Remand, 107 FERC ¶ 61,294 (2004) ("Order on Remand") that the ISO submitted on July 22, 2004, in the above-

¹ Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff.

identified docket. The ISO requested that the Commission reverse its Order on Remand and reinstate its initial conclusion that all Generating Units subject to Participating Generator Agreements (“PGAs”), including the hydroelectric facilities of the California Department of Water Resources (“CDWR”), must be subject to the ISO’s outage coordination authority.

In the rehearing request, the ISO stated,

It is important to note, however, that not all of CDWR’s hydroelectric Generating Units are necessary for water delivery functions. For example, CDWR’s Hyatt-Thermalito electric generating units play no role in the California aqueduct system. Based on conversations with CDWR dispatch personnel, the ISO understands that water can be delivered from Lake Oroville to the Sacramento Delta bypassing the electric generating units. They serve no necessary water delivery function – unless reducing CDWR’s costs is considered a water delivery function. The purpose of the Hyatt-Thermalito power complex, located on the Feather River below Lake Oroville and Oroville Dam, is the production of Energy.

Representatives of CDWR have stated to the ISO that these statements are inaccurate. Based on conversations with representatives of CDWR, the ISO wishes to correct and clarify through this pleading its understanding regarding CDWR’s Hyatt-Thermalito Generating Units. The ISO does not believe that this clarification affects its request for rehearing.

For background the ISO provides the following information. The Thermalito facility comprises three pumping-generating units and one generating unit. <http://www.lakeoroville.water.ca.gov/about/stats/thermalito.cfm>. The combined online capacity according to the California Energy Commission is 126 MW. <http://www.energy.ca.gov/database/index.html#powerplants>.

The Thermalito Diversion Dam facility consists of one generating unit. The online capacity according to the California Energy Commission is 3 MW. <http://www.energy.ca.gov/database/index.html#powerplants>.

The Hyatt facility has three pumping generating units and three generating units. <http://www.lakeoroville.water.ca.gov/about/stats/hyatt.cfm>. The combined online capacity according to the California Energy Commission is 644 MW. <http://www.energy.ca.gov/database/index.html#powerplants>. Each unit is capable of delivering approximately 2800-2850 cubic feet/second of water. <http://www.lakeoroville.water.ca.gov/about/stats/hyatt.cfm>.

The ISO understands at this time that it is not possible to deliver water bypassing the Hyatt units except when Lake Oroville is high enough to use the spillway. Accordingly, the ISO corrects its rehearing request in that respect. The ISO understands from CDWR representatives that the Hyatt facility has two diversion tunnels, capable of handling 5400 cubic feet per second each. The capacity of the diversion tunnels is currently limited to 750 cubic feet per second each, so that the combined capacity is less than a single generating unit at the Hyatt facility. CDWR indicated that its current water delivery needs are 9000 cubic feet per second, which cannot be met by the diversion tunnels.

The ISO notes, however, that a perusal of the State Water Project annual reports indicates that maintenance (and repair) of the Hyatt-Thermalito units is performed on an individual unit basis.² Thus, issues concerning outage

² See <http://www.swpao.water.ca.gov/publications/>. For example, in 2001, the only annual maintenance identified was for Unit 2 and Thermalito. Hyatt Unit 1 was out of service in April for a generator replacement and in October for turbine repair. In 2000, annual maintenance (including some repairs) was as follows: Hyatt 5, January; Hyatt 3, February; Hyatt 6, March,

coordination of these units should be evaluated on an individual unit basis. In any event, even without the bypass ability, CDWR's current water delivery needs could be met while two of the Hyatt units were out for maintenance.

The ISO would also like to clarify that it did not mean to imply that the Hyatt-Thermalito complex was unrelated to the California aqueduct system. The aqueduct is, of course, fed by releases from Lake Oroville through the complex and the timing of releases is affected by the operation of the generators and pumps. The ISO's point was that the energy provided by the CDWR owned and operated hydro-electric pumped storage Generating Units is not necessary to operate the aqueduct, as this energy may be acquired elsewhere. Similarly, it was not the ISO's intention to suggest that the complex does not play a role in CDWR's water management in such matters as flood management and salinity control for the Sacramento Delta. Rather, the ISO simply believes that CDWR's facilities are not qualitatively different in this respect than other hydroelectric facilities.

It remains the ISO's position that CDWR's water management functions are fully protected by the ISO Tariff and that there is no more reason to exempt CDWR from the outage coordination provisions of the ISO Tariff than to exempt any other hydroelectric generator.

The ISO hopes that this additional information will assist the Commission in its deliberations.

Hyatt 1, April; Hyatt 6 October; Hyatt 1, November; Thermalito 3, January-February; Thermalito 4, March-April.

Respectfully submitted,

/s/ Michael Ward _____

Charles F. Robinson
General Counsel
Anthony J. Ivancovich
Senior Regulatory Counsel
Gene L. Waas
Regulatory Counsel
151 Blue Ravine Road
Folsom, CA 95630

J. Phillip Jordan
Michael E. Ward
Julia Moore
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW
Suite 300
Washington, DC 20007

CERTIFICATE OF SERVICE

I, Gene L. Waas, hereby certify that I have served the foregoing document upon all parties on the official service list compiled by the Secretary in the above-captioned 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 this 5th day of August, 2004.

/s/ Gene L. Waas

Gene L. Waas, Regulatory Counsel