

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

California Independent System Operator Corporation))))	Docket No. ER00-742-000
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**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTION TO INTERVENE, PROTEST,
MOTION TO REJECT OR, IN THE ALTERNATIVE,
REQUEST FOR SUSPENSION AND HEARING**

Pursuant to Rule 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.213, the California Independent System Operator Corporation ("ISO") submits its Answer to the Motion filed by the Transmission Agency of Northern California ("TANC") on December 27, 1999 in the above-identified proceeding. The ISO does not oppose TANC's motion to intervene in this proceeding. As explained below, however, there is no basis for TANC's motion to reject the ISO's submission or TANC's request for suspension and hearing of that submission.

I. BACKGROUND

On December 7, 1999, the ISO filed a Scheduling Coordinator Agreement ("Agreement" or "SCA") between the ISO and Sierra Pacific Power Company ("Sierra Pacific") for Commission approval. The SCA is a *pro forma* agreement developed by the ISO which is applicable to all Scheduling Coordinators that wish to participate in the California market by transmitting Energy or Ancillary Services to or from the ISO control

area.¹ The SCA obligates the Scheduling Coordinator to comply with the terms and conditions of the ISO Tariff.

The ISO requested a waiver of the 60-day prior notice requirement to allow the SCA between the ISO and Sierra Pacific to be made effective as of December 1, 1999, the date the Agreement was executed. The ISO explained that this request was appropriate because it would permit Sierra Pacific to begin functioning as a Scheduling Coordinator at the earliest opportunity, thereby enhancing the competitiveness and efficiency of the market.

On December 13, 1999, the Commission issued a Notice of Filing in this proceeding, establishing December 27, 1999 as the deadline for filing interventions and protests with respect to the SCA between the ISO and Sierra Pacific.

On December 27, 1999, TANC filed a Motion to Intervene, Protest, Motion to Reject or, in the Alternative, Request for Suspension and Hearing in this proceeding. In its motion, TANC explains that numerous parties, including TANC, are engaged in an ongoing dispute with Sierra Pacific concerning the terms and conditions of an Interconnection Agreement and a Scheduling Agreement for Sierra Pacific's Alturas Intertie Project. Issues relating to these agreements and the Alturas Intertie Project are currently set for hearing in Docket Nos. ER99-28 *et al.* See *Sierra Pacific Power Co.*, 86 FERC ¶ 61, 198 (1999). The ISO is an active participant in that proceeding.

¹ Scheduling Coordinators are entities certified by the ISO for the purposes of undertaking the functions specified in Section 2.2.6 of the ISO Tariff, including the scheduling of Load and Generation.

TANC claims that, until Sierra Pacific's rights and obligations to the interconnection of the Alturas Interconnection Project are resolved in that proceeding, it would be "premature"

to allow Sierra Pacific to act as a Scheduling Coordinator. TANC Motion at 6. TANC therefore moves that the Commission reject the SCA between the ISO and Sierra Pacific "without prejudice to Sierra Pacific's right to refile the Scheduling Coordinator Agreement with the Commission once the issues posited in [the Alturas proceeding] are resolved." *Id.* at 7. Alternatively, TANC requests that the SCA between the ISO and Sierra Pacific be suspended and set for hearing.

II. ANSWER.²

The ISO does not oppose TANC's motion to intervene in this proceeding.³ There is no basis, however, for TANC's motion to reject the SCA between the ISO and Sierra Pacific or for its request that the SCA be suspended and set for hearing in this proceeding. Both the motion and the request should be denied by the Commission.

The SCA between the ISO and Sierra Pacific is a *pro forma* agreement which establishes certain requirements for entities wishing to schedule Energy and Ancillary Services on the ISO Controlled Grid. The Commission has approved numerous SCAs between the ISO and other entities based on this *pro forma* agreement.⁴ Any entity, including Sierra Pacific, that submits schedules to the ISO must do so through a Scheduling Coordinator. Expanding the number of Scheduling Coordinators certified by the ISO

² TANC's motion includes a section entitled "Protest and Motion to Reject." There is no prohibition on the ISO's responding to this pleading. The ISO is entitled to respond to TANC's motion notwithstanding the label applied to it. *Florida Power & Light Company*, 67 FERC ¶ 61,315 (1994). TANC's pleading also includes a separate "Request for Suspension and Hearing." The ISO is also entitled to respond to this request. In the event that any portion of this answer is deemed an answer to a protest, the ISO requests waiver of Rule 213 (18 C.F.R. §385.213) to permit it to make this answer. Good cause for this waiver exists here given the usefulness of this answer in ensuring the development of a complete record.

³ On January 3, 2000, the Public Utilities Commission of Nevada filed a Motion for Leave to Intervene Out of Time in this proceeding. The ISO also does not oppose this motion.

⁴ See, e.g., *California Independent System Operator Corp.*, 82 FERC ¶ 61,174 at 61,621 (1998); *Pacific Gas and Electric Co., et al.*, 82 FERC ¶ 61,326 at 62,286 (1998); and the Letter Order issued in Docket Nos. ER98-990 *et al.* on September 8, 1998 (accepting numerous SCAs with certain revisions directed by the

improves the efficiency of the California markets because it provides Market Participants with more choice as to which entity or entities will submit schedules on their behalf.

TANC does not identify anything in the SCA between the ISO and Sierra Pacific that it finds objectionable. Indeed, because the Commission has approved the *pro forma* SCA on numerous occasions, it would be inappropriate for TANC to object to provisions found in the *pro forma* Agreement at this late date. Nor does TANC explain what connection it believes exists between the SCA with Sierra Pacific (or Sierra Pacific's functioning as a Scheduling Coordinator pursuant to the ISO Tariff) and the issues raised in Docket Nos. ER99-28 *et al.* TANC does not suggest that any provision of the *pro forma* Agreement with Sierra Pacific would need to be modified based on the outcome of the Alturas litigation. TANC also does not suggest that the outcome of the Alturas litigation might prevent Sierra Pacific from acting as a Scheduling Coordinator. TANC simply states that the SCA between the ISO and Sierra Pacific should not be permitted to go into effect until the Commission resolves the outstanding issues in the Alturas litigation.

As reflected in its pleadings in Docket Nos. ER99-28 and ER99-945, the ISO believes that there are issues related to the Interconnection and Scheduling Agreements for Sierra Pacific's Alturas Intertie Project which should be resolved in accordance with FERC orders in the proceeding. The proper place to address those issues, however, is the ongoing proceeding in Docket Nos. ER99-28 *et al.* TANC did not identify any relation between the issues in Docket Nos. ER99-28 *et. al.* and the SCA between the ISO and Sierra Pacific. Indeed, as an active participant in Docket Nos. ER99-28 *et. al.*, the ISO

Commission).

sees no such relation. The issues in Docket Nos. ER 99-28 *et. al.* accordingly, have no place in the instant proceeding.

Since the only rationale TANC offers for its motion to reject the ISO's filing or request for suspension and hearing is the fact that unrelated issues involving Sierra Pacific are pending in a separate proceeding, there is no basis for granting TANC's motion.

III. CONCLUSION

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission accept for filing the SCA between the ISO and Sierra Pacific, effective December 1, 1999, and deny TANC's motion to reject and request for suspension and hearing.

Respectfully submitted,

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Date: January 11, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC, on this 11th day of January, 2000.

Sean A. Atkins

January 11, 2000

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: **California Independent System Operator Corporation,
Docket No. ER00-742-000**

Dear Secretary Boergers:

Enclosed for filing are one original and 14 copies of the Answer of the California Independent System Operator Corporation to Motion to Intervene, Protest, Motion to Reject or, in the Alternative, Request for Suspension and Hearing in the above-identified proceeding. Two additional copies of the filing are also enclosed. Please stamp the two additional copies with the date and time filed and return them to the messenger.

Thank you for your assistance in this matter.

Yours truly,

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