

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

California Independent System Operator Corporation)	Docket No. ER04-835-000
)	
Pacific Gas and Electric Company)	
)	
v.)	Docket No. EL04-103-000
)	
California Independent System Operator Corporation)	

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTION OF THE ALLIANCE FOR RETAIL ENERGY
MARKETS AND SHELL ENERGY NORTH AMERICA (US), L.P.**

The Commission should deny the motion for a stay filed by the Alliance for Retail Energy Markets and Shell Energy. Movants seek to interfere with the CAISO's compliance with the Commission's orders and circumvent the CAISO's settlement and dispute resolution tariff provisions that require market participants to pay their invoices notwithstanding the existence of a dispute. To the extent the CAISO determines a dispute is valid, the CAISO will resettle it and reflect the resettlement in a future settlement statement and invoice.

I. Answer¹

On December 20, 2013, and May 12, 2014, the CAISO submitted informational filings regarding the resettlements required to comply with

¹ The CAISO submits this answer pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213.

Commission orders.² In their June 16, 2014 motion, movants request that the Commission direct the CAISO to stay its resettlement process until the Commission acts on pending pleadings that challenge the CAISO's ability to resettle and impose interest.³ However, movants fail to seek a stay of the underlying Commission orders requiring the CAISO to resettle the charges at issue. If movants had sought a stay of the Commission's orders, the Commission would certainly have denied it as a collateral attack on the orders. Movants did not seek leave to intervene in this proceeding until January 10, 2014, long after the deadline for requests for rehearing of the orders had passed.

There is no need for the Commission to stay the resettlement process. The May 12, 2014, informational filing explained that the CAISO would issue invoices to implement the resettlement process and then perform market clearing on June 26, 2014. The CAISO issued the invoices on June 19, 2014, with a required payment date of June 26.⁴ Movants have made no showing whatsoever that would justify a stay of the obligation of its members to pay the invoices.

Movants fail to establish a foundational element for a stay: irreparable harm. Some market participants, including movants, have submitted disputes concerning the Amendment 60 settlement statements. These disputes are

² *Cal. Indep. Sys. Operator Corp.*, 117 FERC ¶ 61,348 (2006), *order on reh'g.*, 117 FERC ¶ 61,348 (2007), *reh'g denied*, 136 FERC ¶ 61,197 (2011); *Cal. Indep. Sys. Operator Corp.*, 136 FERC ¶ 61,198 (2011).

³ Coalition at 3-4.

⁴ See attachment A to this answer (CAISO market notice issued on June 19, 2014).

subject to the dispute resolution process set forth in the CAISO tariff.⁵ The CAISO tariff requires market participants to timely pay all invoices notwithstanding any disputes.⁶ If the CAISO determines that a dispute is valid, the CAISO will make an appropriate adjustment on a future settlement statement and invoice, and pay interest at the Commission rate.⁷ Thus, market participants are not irrevocably harmed even if their disputes are meritorious. Movants do not allege that the CAISO is failing to follow its tariff.

In addition to denying the request for stay, the Commission should dispose of the pending issues in this proceeding. The remaining issues presented by movants in prior pleadings concern whether the CAISO is complying with the Commission's orders in resettling the market and whether Commission precedent supports the CAISO's proposal for applying interest. These issues are fully briefed.⁸ The only other issue relates to the 2012 protest of Southern California Edison Company concerning the sufficiency of data published by the CAISO in June of 2012. The CAISO corrected and republished this data on May 12, 2014. In its response to the CAISO's May 12, 2014 informational filing, Southern California Edison stated that the May 12, 2014

⁵ The Coalition members filed their disputes pursuant to section 11.29.8.4 of the CAISO tariff, which permits them to initiate dispute resolution as to recalculation settlement statements under section 13 of the tariff.

⁶ ISO tariff section 11.29.8.6.

⁷ ISO tariff sections 11.29.10.2, 13.5.2.

⁸ See the CAISO's January 27, 2014 answer to the Coalition's protest of the December 20, 2013, informational filing. In addition, the Coalition has filed a complaint regarding the resettlements in Docket No. EL14-67-000. The CAISO plans to file an answer to the Coalition's complaint by the due date established by the Commission, July 7, 2014.

corrected reports are sufficient and accurate and that it no longer had concerns regarding the data. Thus, the Commission should conclude that Southern California Edison's 2012 protest is now moot, thereby allowing it to address the pending issues. Nothing prevents the Commission from deciding these issues.

II. Conclusion

For the foregoing reasons, the Commission should deny the Coalition's request that the CAISO stay the issuance of invoices.

Respectfully submitted,

Michael E. Ward
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
(202) 239-3000
michael.ward@alston.com

/s/ Sidney M. Davies
Roger E. Collanton
General Counsel
Sidney M. Davies
Assistant General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
(916) 608-7144
sdavies@caiso.com

Attorneys for the California Independent System Operator Corporation

Dated: June 25, 2014

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the 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 Washington, DC this 25th day of June, 2014.

/s/ Bradley R. Miliauskas
Bradley R. Miliauskas