

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

**California Independent System)
Operator Corporation)** **Docket No. ER12-897-000**

**NOTICE OF WITHDRAWAL OF PETITION FOR WAIVER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 216 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission, 18 C.F.R. § 385.216, the California Independent System Operator Corporation (ISO) respectfully submits this notice of withdrawal of its petition for waiver of tariff provision 43.2.6(3), filed on January 26, 2012, in the captioned proceeding.

I. Background

On November 11, 2011, Calpine Corporation (Calpine) requested that the ISO grant a risk of retirement capacity procurement mechanism (CPM) designation for its Sutter Energy Center (Sutter). Sutter met all but one of the requirements set out in the ISO's tariff to grant such a designation, namely the requirement in Section 43.2.6 (c) that precludes the procurement of capacity that is at risk of retirement unless that capacity is needed for the next Resource Adequacy (RA) compliance year. The ISO assessed its reliability needs and found that Sutter would not be needed for reliability purposes until the end of 2017. To address the risk that Sutter would retire, the ISO submitted a petition

for waiver to the Commission on January 26, 2012, requesting a waiver of section 43.2.6(3) of its tariff in order to allow the ISO to provide Sutter a CPM designation to secure the resource for 2012.

On March 22, 2012, the California Public Utilities Commission (CPUC) approved a resolution that directed three of the State's investor-owned utilities¹ to commence contract negotiations with Calpine to procure Sutter's capacity so that Sutter could remain operational in 2012.² That resolution granted the utilities thirty days to complete negotiations with Calpine and submit the results of those negotiations to the CPUC. In light of this action by the CPUC, the ISO submitted a motion to the Commission on March 23, 2012 requesting that this proceeding be held in abeyance for a period not to exceed 90 days. On April 26, 2012, the Commission granted that motion.³

II. Notice of Withdrawal of Petition for Waiver

On June 14, 2012, the ISO received a notice from Calpine officially withdrawing its request for CPM Capacity designation. Also, on June 19, 2010, the California Public Utilities Commission (CPUC) filed a status report in this docket indicating that the CPUC had approved the contracts, and that its disposition of the matter was final and non-appealable. In light of these

¹ Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas & Electric.

² CPUC, Resolution E-4471 (March 22, 2012), *available at* http://docs.cpuc.ca.gov/WORD_PDF/FINAL_RESOLUTION/162985.PDF (CPUC Resolution).

³ *Cal. Ind. Sys. Operator Corp.*, 139 FERC ¶ 61,072 (2012).

developments, the ISO respectfully submits its notice of withdrawal of its petition for waiver filed on January 26, 2012.

Respectfully submitted,

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June 21, 2012

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 above-referenced 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, California this 21st day of June, 2012.

Anna Pascuzzo
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