

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

**California Independent System
Operator Corporation**

Docket No. ER08-1113-000

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**MOTION FOR EXTENSION OF TIME TO COMPLY WITH ORDER
CONDITIONALLY ACCEPTING TARIFF CHANGES
AND DIRECTING COMPLIANCE FILING**

I. Introduction

The California Independent System Operator Corporation (“CAISO”) respectfully requests a one-week extension of time to file tariff language in compliance with the Order Conditionally Accepting Tariff Changes and Directing Compliance Filing Issued on September 19, 2008, of the Federal Energy Regulatory Commission (Commission) conditionally accepting the CAISO to establish an Integrated Balancing Authority Area (IBAA). The CAISO requests authority to make its compliance filing no later than November 25, 2008, so that it may engage in additional discussions with stakeholders. This motion is submitted pursuant to Commission Rules of Practice and Procedure 212 and 2008.¹

II. Background

On June 17, 2008, the CAISO submitted proposed revisions to the Market Redesign and Technology Upgrade Tariff (MRTU) seeking to enhance the management of congestion on the CAISO Controlled Grid by appropriately pricing and modeling interchange transactions, *i.e.*, imports and exports between the CAISO Controlled Grid

¹ 18 C.F.R. § 385.212 and § 385.2008 (2008).

and the SMUD and Turlock Balancing Authority Areas.² The CAISO requested authority to establish the SMUD and Turlock Integrated Balancing Authority Area (SMUD-Turlock IBAA) at the same time as the implementation of the CAISO's MRTU.

On September 19, 2008, the Commission issued an order which conditionally accepted, subject to modification, the CAISO's proposed tariff revisions to establish an IBAA to become effective upon implementation of MRTU. The Order conditionally approved, subject to further compliance requirements, the CAISO's configuration of the SMUD-Turlock IBAA as a single hub with default modeling and pricing points for all interchange transactions for the SMUD-Turlock IBAA as just and reasonable. The Order required the CAISO to develop tariff language to address several issues, including appropriate adjustments to the marginal losses paid by users of the California Oregon Transmission Project that are importing power into the CAISO Controlled Grid. In addition, the Order required the CAISO to propose various tariff provisions related to the development and administration of a Market Efficiency Enhancement Agreement (MEEA) between the CAISO and an entity seeking to obtain alternative pricing instead of a default price for interchange transactions. The Commission directed the CAISO to make a compliance filing within 60 days or by November 18, 2008.

On October 29, 2008, the CAISO issued draft tariff language intended to comply with the September 19, 2008 Order. This draft language was made available to interested parties through a market notice which solicited written comments from those parties. On November 7, 2008, the CAISO received written comments from eleven parties that raise

² The IBAA includes the transmission facilities within the SMUD and Turlock Balancing Authority Areas. The SMUD Balancing Authority Area includes (in addition to SMUD's own transmission system) the transmission facilities of: the Western Area Power Administration – Sierra Nevada Region; Modesto Irrigation District; the City of Redding; and the City of Roseville.

certain concerns with the proposed tariff language. The ISO has scheduled a conference call for today, November 12, 2008, to discuss these comments. However, the CAISO would like an additional opportunity to discuss proposed tariff language with interested parties in advance of its compliance filing.

III. Argument

In their written comments, parties have raised a number of questions and concerns with the CAISO's proposed tariff language to comply with the Commission's Order. These concerns include, among others, how the CAISO intends to calculate default prices for interchange transactions between the CAISO and the SMUD-Turlock IBAA; the mechanics of pricing interchange transactions under an MEEA; and the use of data provided to the CAISO by entities executing an MEEA. The CAISO believes that it can address many of these concerns and questions through its stakeholder process, which could minimize disputes before the Commission during the compliance process.

Given the complexity of issues raised by parties in the underlying proceeding and the number of issues that the CAISO is addressing in compliance, good cause exists to permit the CAISO additional time to review tariff language with interested parties. The CAISO does not believe any party will be prejudiced. To the contrary, by granting the CAISO an additional week to comply with the September 19, 2008 order, interested parties will have the benefit of additional opportunities to review and discuss this language with the CAISO before it is submitted to the Commission for approval.

IV. Conclusion

The Commission should grant the CAISO a one-week extension to make a compliance filing in this case.

Respectfully submitted,

/s/ Anna McKenna

Anna A. McKenna, Counsel
Andrew Ulmer, Senior Counsel

California Independent System
Operator Corporation

151 Blue Ravine Road
Folsom, CA 95630

**ATTORNEYS FOR
THE CALIFORNIA
INDEPENDENT SYSTEM
OPERATOR CORPORATION**

November 12, 2008

CERTIFICATE OF SERVICE

I hereby certify that I have served, by electronic and United States mail, a copy of the foregoing Motion of the California Independent System Operator Corporation for Extension of Time for Compliance Filing in Docket No. ER08-1113-000.

Executed on November 12, 2008, at Folsom, California.

/s/Susan L. Montana
Susan L. Montana
smontana@caiso.com