

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

**California Independent System) Docket No. ER06-615-____
Operator Corporation)**

**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION FOR EXTENSION OF TIME**

Pursuant to Rules 212 and 2008(a) of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.2008(a) (2007), the California Independent System Operator Corporation ("CAISO")¹ respectfully requests an extension of time to comply with Paragraphs 162-164 of the Commission order issued on June 25, 2007 in the above-captioned docket,² until such time as the CAISO has had the opportunity to test a proposed methodology (described below) through market simulations, which the CAISO expects to occur by December 31, 2007.

I. Background

In Paragraphs 162-164 of the June 25 Order, the Commission directed the CAISO to clarify, in a compliance filing, proposed Tariff language in MRTU Tariff section 31.3.1.2 that addresses the parameters that will govern the CAISO's relaxation of transmission constraints if economic bids cannot clear the market.

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the CAISO Tariff.

² *California Independent System Operator Corp.*, 119 FERC ¶ 61,313 (2007) ("June 25 Order").

The Commission directed the CAISO to provide further details about the impact of proposed transmission constraint violation penalty levels in the Integrated Forward Market (“IFM”). In addition, the Commission directed the CAISO to submit revised tariff language clearly indicating that the penalty is not a financial penalty in the traditional sense and to clarify what constitutes an economic bid for purposes of determining when the CAISO would relax transmission constraints. Furthermore, the Commission required the CAISO to articulate in its transmittal letter accompanying its compliance filing: (1) what the revised provision does; (2) how the provision works in practice; (3) the practical and financial effect of the provision on the Market Participants; and (4) detailed answers to the questions raised by commenters concerning this provision. Finally, the Commission also accepted the CAISO’s commitment to conduct market simulations in order to evaluate the performance of the proposed penalty, and directed the CAISO to propose modifications if necessary.³

On August 3, 2007, the CAISO filed a motion for extension of time in the above-captioned proceeding regarding compliance with, *inter alia*, Paragraphs 162-164 of the June 25 Order. The CAISO stated that it planned to conduct market simulations that would provide critical information concerning the best methodology for implementing the constraint violation penalty and, accordingly, that the CAISO believed the most efficient way to proceed was to wait to file additional tariff language and explanations concerning the constraint violation penalty until such time as the CAISO was able to complete and evaluate the

³ See June 25 Order at PP 158, 164.

results of the market simulations. The CAISO stated that it anticipated that the market simulations would be completed in October 2007, and therefore the CAISO requested an extension of time until October 31, 2007, to comply with Paragraphs 162-164. The CAISO noted that to the extent any schedule changes resulted in the need for additional time to comply with Paragraphs 162-164, the CAISO would inform the Commission and request a further extension of time.

On August 8, 2007, the Commission issued a "Notice of Extension of Time" that granted the CAISO's request that it be permitted to comply with Paragraphs 162-164 of the June 25 Order by October 31, 2007.

II. Motion for Extension of Time

As required by Rule 2008(a), good cause exists to grant the CAISO the extension of time requested in the instant motion. The CAISO has not yet completed the market simulations that will provide critical information concerning the best methodology for implementing the proposed provision governing the relaxation of transmission constraints if economic bids cannot clear the market. As explained above, the most efficient way to proceed is for the CAISO to file additional tariff language and explanations concerning this provision after the CAISO has completed and evaluated the results of the market simulations. While the CAISO has been working towards further refining its implementation of this methodology, the CAISO has not had an opportunity to test in its market simulations the specific techniques it intends to implement to relieve Load Aggregation Point ("LAP") constraints. The CAISO expects that it will complete the market simulations, evaluate their results, and finalize additional tariff

language and explanations concerning the constraint violation provision by December 31, 2007. Therefore, the CAISO respectfully requests an extension of time to comply with Paragraphs 162-164 of the June 25 Order until it has had an opportunity to test its intended functionality, which the CAISO expects will occur by December 31, 2007.

III. Conclusion

For the reasons explained above, the CAISO requests that the Commission grant this motion for extension of time.

Respectfully submitted,

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Dated: October 31, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in 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 31st day of October, 2007.

/s/ Bradley R. Miliauskas
Bradley R. Miliauskas