

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

**California Independent System Operator) Docket No. OA8-62-000
Corporation)**

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

Pursuant to Rules 212 and 2008 of the Federal Energy Regulatory Commission’s (Commission’s) Rules of Practice and Procedure, 18 C.F.R. §§385.212 and 385.2008 (2006), the California Independent System Operator Corporation (“CAISO”) hereby moves for an extension of the time to October 31, 2008, for submitting the compliance filing directed by the Commission in its June 19, 2008, Order on Compliance Filing¹ (“Compliance Order”) in this proceeding. The extension is necessary in order for the CAISO to complete negotiations and coordination with its Participating Transmission Owners (“PTOs”) regarding a definition of their role in the transmission planning process that will meet the directives of the Compliance Order.

I. Background

On February 16, 2007, the Commission issued Order No. 890,² in which it required transmission providers to implement a coordinated, open, and transparent transmission planning process that satisfies nine planning principles enunciated in the

¹ *Cal. Indep. Sys. Operator Corp.*, 123 FERC ¶61,283 at Ordering Paragraph (B) (2008).

² *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12,266 (Mar. 15, 2007), FERC Stats & Regs. ¶31,241, *order on reh’rg*, Order No. 890-A, 73 Fed. Reg. 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶31,261.

order.³ The Commission declined to exempt Regional Transmission Organizations (“RTOs”) and Independent System Operators (“ISOs”) from the compliance obligations of Order No. 890 and required ISOs and RTOs to submit appropriate compliance filings. The CAISO made its compliance filing, in which it proposed revisions to its Open Access Transmission Tariff (“OATT”) and Business Practice Manual (“BPM”) for Transmission Planning, on December 21, 2007.⁴

In the Compliance Order, the Commission found that, in general, the CAISO’s proposed transmission planning process reflected the Order 890 principles of openness and transparency. The Commission approved the CAISO’s compliance filing, effective December 21, 2007, and subject to certain clarifications and modifications to be set forth in a compliance filing due 90 days after the issuance of the Compliance Order (September 17, 2008).

Particularly relevant for the purposes of this extension request, the Commission stated:

[I]t appears that the bulk of the transmission planning for the CAISO-controlled grid may be initiated outside this process by the PTOs. We recognize that the CAISO has revised its planning process to allow for a “more coherent consideration of relevant information and projects during the planning cycle” and to permit a rational assessment of competing alternatives to resolve transmission problems. The CAISO is, of course, free to structure its planning process in the way that best suits its needs and those of its members and customers. We are concerned, however, that the tariff and BPM do not clearly describe the relationship between its PTOs and the CAISO, how stakeholders can participate in the PTOs’ development of needed expansions, how and when PTO projects are evaluated by the CAISO, how those projects are assimilated into the CAISO transmission plan, and the ability of non-PTOs to offer alternatives to PTO projects given the apparent difference between the treatment of PTOs and non-PTOs. Customers and stakeholders must not

³ Order No. 890 at PP 435-437

⁴ . The Commission also adopted numerous non-transmission planning reforms in Order No. 890. The CAISO submitted a compliance filing with regard to those reforms on October 11, 2007.

be excluded from the development of PTO-sponsored projects and PTO plans should not be incorporated into the CAISO plan using criteria and standards that are different from those used to assess alternative projects.⁵

The Compliance Order thus identified two broad areas of concern that are at the core of the CAISO's need for a brief extension of the compliance filing date. First, the Commission has directed the CAISO to clarify the roles and responsibilities of the PTOs with respect to the transmission planning process.⁶ Second, the Commission determined that the CAISO's transmission planning process lacks transparency with respect to the criteria by which projects developed by PTOs are proposed and evaluated.⁷

In addition, the Commission directed the CAISO to propose changes to its OATT and BPM that will, among other things, clarify issues related to 1) the treatment of projects and study requests submitted through the Request Window;⁸ 2) the opportunity for stakeholders to be involved in the evaluation of CAISO and PTO-proposed projects;⁹ and 3) the criteria for identifying large projects that will be evaluated in a separate stakeholder process, including details as to how studies and projects developed outside of the transmission planning process (*e.g.*, the Large Generator Interconnection Process [LGIP]) will be integrated into the process.¹⁰ Each of these areas further implicates the CAISO's relationship with the PTOs.¹¹

⁵ Compliance Order at P 16 (footnotes omitted).

⁶ *Id.* at P 193.

⁷ *Id.* at P 58.

⁸ *See, e.g., id.* at PP 23, 58.

⁹ *See, e.g., id.* at P 85.

¹⁰ *Id.* at P 105.

¹¹ The Commission also directed numerous other revisions to be included in a compliance filing. The CAISO is not describing them here because they are unrelated to the need for the extension. Nonetheless, the CAISO believes it more efficient to include all revisions in a single compliance filing.

II. Extension Request

As described above, in order to respond to the Compliance Order, not only must the CAISO develop tariff enhancements that will better set forth the role of PTOs in the transmission planning process, but it must also refine various other portions of the transmission planning process in which the PTOs are intimately involved. Accordingly, the CAISO has met with the PTOs and proposed that transmission planning roles and responsibilities be embodied in an agreement that can be coordinated with the transmission planning process. The CAISO believes that such an agreement, which will be negotiated in an open process and will be made publicly available on the CAISO's website, will provide the level of clarity and transparency envisioned in the Compliance Order.¹² The PTOs support the CAISO's proposal and the concept of a roles and responsibilities agreement.

The negotiation and execution of the agreement will be conducted outside of this Order 890 compliance process, but will be undertaken and concluded as expeditiously as possible. However, for the purposes of the compliance filing, the CAISO intends to include in the Tariff a detailed description of the PTO/CAISO roles and responsibilities. This description, and the modifications to the planning process that will be required once the roles and responsibilities are identified, will necessitate additional discussions with the PTOs. It is unlikely that such discussions can be completed in time for the CAISO to meet the 90 day compliance filing requirement established by the Compliance Order. Thus, the CAISO respectfully requests an extension of the filing deadline, currently September 17, 2008, until October 31, 2008. This brief extension will provide sufficient

¹² It is anticipated that the agreement will be structured around the CAISO and PTO Mandatory Reliability Standards compliance responsibilities and will serve as an audit compliance tool as well as a source document for the transmission planning process.

time for the CAISO to work with the PTOs in order to produce the information necessary to respond to the Compliance Order directives. It is the CAISO's understanding that the PTOs agree with this request for extension of time in order to be able to work together on the important issues raised in the Compliance Order.

Because the CAISO's transmission planning process is currently effective, this brief extension of time to work out the details of the PTOs' input into the process will not unduly delay the implementation of the plan in its final format. The CAISO's request for an extension of the compliance filing deadline is reasonable and should be approved.

III. Conclusion

For the reasons discussed above, the CAISO requests an extension of the time to October 31, 2008, for submitting the compliance filing directed by the Commission in the Compliance Order.

Respectfully submitted,

/s/Judith B. Sanders

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**ATTORNEYS FOR
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September 2, 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. OA08-62-000.

Executed on September 2, 2008, at Folsom, California.

/s/Susan L. Montana
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