



California ISO  
Shaping a Renewed Future

## Media Statement

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### **Statement by California ISO President and CEO Steve Berberich After ISO files motion to intervene in federal actions involving J.P. Morgan**

“The California ISO recognizes the importance of ensuring compliance with the Federal Energy Regulatory Commission’s market behavior rules and agrees with the Commission that serious sanctions are appropriate if the Commission concludes that material misrepresentations have occurred. Protecting our market integrity and ratepayer interests are key tenets of the California ISO and all independent system operators.

To do this, the Commission and the ISO must set expectations for appropriate conduct and enforce them effectively. This proceeding reflects the careful and measured attention the Commission and its staff pay to the California ISO market.

Our Motion to Intervene, filed October 17, 2012, asks the FERC to consider expanding the scope of its Order to Show Cause to include a wholly-owned subsidiary of J. P. Morgan Ventures Energy Corporation (J.P. Morgan) that may have been involved in the conduct at issue. The subsidiary, BE CA LLC, appears to hold its own market-based rate authority in addition to that held by of J.P. Morgan’s.

J.P.Morgan and its subsidiary schedule and control the dispatch of electricity from 10 power plant units in Southern California. The generating units play a significant role in enabling the ISO to reliably meet system needs. For that reason, the ISO also asks that any remedy accounts for operational needs as well as market impacts.”

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The California ISO operates the state’s wholesale transmission grid, providing open and non-discriminatory access supported by a competitive energy market and comprehensive planning efforts. Partnering with about a hundred client organizations, the nonprofit public benefit corporation is dedicated to the continual development and reliable operation of a modern grid that operates for the benefit of consumers. The ISO bulk power market allocates space on transmission lines, maintains operating reserves and matches supply with demand.