

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

California Independent System Operator
Corporation

Docket Nos. ER04-835-007
ER04-835-009

Pacific Gas and Electric Company

EL04-103-002
EL04-103-004
(consolidated)

**MOTION FOR EXTENSION OF TIME FOR
INFORMATIONAL FILING**

The California Independent System Operator Corporation (“CAISO”) respectfully submits this motion for an extension of time until May 15, 2012, in which to make the informational filing required by the Commission’s “Order on Compliance Filings,” dated September 16, 2011, in these dockets.¹ The extension is necessary in order for the CAISO to calculate refunds in accordance with the tariff changes approved in the Compliance Order and to post the necessary information on the CAISO’s website.²

I. Background

These consolidated dockets concern Amendment No. 60 to the CAISO tariff, which proposed a new allocation methodology for must-offer minimum load compensation costs, and a complaint filed by Pacific Gas and Electric Company regarding the CAISO’s allocation of must-offer compensation costs. Amendment No. 60 allocated minimum load compensation costs according to the cause of the

¹ *Cal. Indep. Sys. Operator Corp.*, 136 FERC ¶ 61,198 (2011) (“Compliance Order”).

² The CAISO submits this filing 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).

must-offer commitment: system, zonal, or local. The Commission accepted Amendment No. 60, subject to refund. Amendment No. 60 became effective on October 1, 2004. In the same order, however, the Commission set for hearing Pacific Gas and Electric Company's complaint, with a refund effective date of July 17, 2004.³

In Opinion No. 492, issued in December 2006, the Commission approved the Amendment No. 60 methodology, with modifications, effective on the July 17, 2004, refund effective date.⁴ In addition to the revised effective date, the modifications were an exemption of wheel-through transactions from system must-offer charges, application of the Amendment No. 60 methodology to start-up costs and emissions costs, and a classification of must-offer waiver denials to address the Miguel constraint as zonal.⁵

There was one exception to the effective date in Opinion No. 492. Under the approved allocation methodology, the CAISO allocates the must-offer costs for local needs according the "incremental-cost of local" methodology." That calculation involves the use of security constrained unit commitment procedures, which the CAISO did not implement until October 1, 2004. Therefore, the Commission approved use of the incremental-cost-of-local methodology effective October 1, 2004.⁶

In its November 2007 order on rehearing, the Commission concluded that must-offer waiver denials to address the South-of-Lugo constraint should also be

³ *Cal. Indep. Sys. Operator Corp.*, 108 FERC ¶ 61,022 (2004).

⁴ *Cal. Indep. Sys. Operator Corp.*, 117 FERC ¶ 61,348 (2006) ("Opinion No. 492"), *on reh'g*, 121 FERC ¶ 61,193 (2007).

⁵ *Id.* at PP 31, 90, 96.

⁶ *Id.* at P 123.

classified as zonal.⁷ In addition, the Commission authorized the use of the CAISO's "proxy" methodology to calculate the incremental-cost-of-local for the period in which the security constrained unit commitment procedures were unavailable.⁸ One party sought rehearing of the November 2007 order.

The CAISO has made two compliance filings, one after Opinion No. 492, in February 2007, and one after the rehearing order in December 2007. Southern California Edison protested the initial compliance filing. Opinion No 492 had directed the CAISO to publish sufficient information on its website for scheduling coordinators to validate the incremental-cost-of-local component.⁹ In its February 2007 compliance filing, the CAISO asserted that it had complied with this directive going back to July 17, 2004. Southern California Edison protested that the information provided by the CAISO was insufficient. In the November 2007 compliance filing, the CAISO indicated that it would work with SCE to address the concerns.

The Compliance Order accepted the CAISO's compliance filings. It also directed the CAISO to submit an informational filing within 30 days explaining how the CAISO addressed Southern California Edison's concerns.¹⁰ Simultaneously with the Compliance Order, the Commission denied the outstanding rehearing request.¹¹

⁷ *Cal. Indep. Sys. Operator Corp.*, 121 FERC ¶ 61,193 (2007).

⁸ *Id.* at P 82.

⁹ Opinion No. 492 at P 49.

¹⁰ Compliance Order at P 21.

¹¹ *Cal. Indep. Sys. Operator Corp.*, 136 FERC ¶ 61,197 (2011).

II. Request for Extension of Time

The CAISO requests an extension of time to make the informational filing. Because of the outstanding rehearing request, which would have affected cost allocation, and because until the Compliance Order the CAISO did not have a final rate allocation in place, the CAISO has not yet been able to finalize calculation of the reallocation of must-offer costs consistent with the tariff revisions approved in the Compliance Order for the entire refund period. The CAISO therefore has not determined the incremental-cost-of-local under the proxy methodology for the entire period in which that methodology was applicable.

The Amendment No. 60 refund calculation is one of a number of re-runs that the CAISO is processing from the period prior to the implementation of the CAISO's new market structure. The CAISO estimates that it will be able to calculate the final allocation of must-offer compensation costs, and the resultant refunds, within the next six months. It will then be able to publish the final incremental-cost-of-local information from the period of July 17, 2004 through March 31, 2009, when the new market design went into effect. The CAISO therefore requests that the Commission extend the time for the informational filing regarding the publishing of such data until May 15, 2012.

IV. Conclusion

For the reasons discussed above, the ISO respectfully asks that the Commission grant the requested extension of time to submit the informational filing required by the Compliance Order.

Respectfully submitted,

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Dated: October 17, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the captioned proceedings, 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, D.C. this 17th day of October, 2011.

/s/ Michael E. Ward
Michael E. Ward