

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

Calpine Corporation)

Docket No. ER11-2085-000

**MOTION TO FILE ANSWER AND ANSWER OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation submits this motion to file an answer and answer to comments regarding the filing by Calpine Corporation on November 10, 2010 of a request for a limited waiver of the ISO tariff.¹ As the ISO stated in its comments on Calpine's filing, while the ISO does not believe that the interconnection financial security posting requirements set forth in the tariff should be waived in all cases where affected system costs are not identified by the time of posting, the ISO does not object to Calpine's request based upon the facts and unique circumstances of this request, subject to the clarification described in the ISO's comments.

Only Western Area Power Administration, among all the parties submitting comments on Calpine's filing, has raised issues to which the ISO feels compelled to respond.² Moreover, only one of Western's comments raises particular concerns for the ISO. The ISO urges the Commission to reject Western's recommendation that the

¹ The ISO (which is sometimes also referred to as the CAISO) submits this filing pursuant to Rules 212 and 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213 (2010).

² See Motion to Intervene and Comments by the Western Area Power Administration, filed December 1, 2010.

Commission initiate an investigation pursuant to section 206 of the Federal Power Act as to whether the ISO's pilot pseudo-tie program should be made a long-term program.³

I. ANSWER

As Western acknowledges in its comments, the ISO is in the midst of an extensive and lengthy stakeholder process regarding dynamic transfers, including a proposal to implement pseudo-ties on a long-term basis and a number of related proposals. Given the progress the ISO has made on this stakeholder process, it would be very disruptive to the orderly completion of the stakeholder process for the Commission to institute a section 206 investigation at this time as recommended by Western. The ISO anticipates completing its stakeholder process and submitting a filing to the Commission of proposed amendments to its tariff pursuant to section 205 of the Federal Power Act at the conclusion of the stakeholder process, which the ISO expects to occur in 2011. For the Commission to conduct an overlapping investigation proceeding regarding a portion of the ISO's proposed tariff amendments in parallel with the proceeding on the tariff amendments themselves would be inefficient and could result in diversion of resources from consideration of the ISO's proposal as an integrated program.

Moreover, an investigation by the Commission of the ISO's implementation of pseudo-ties on a long-term basis would be irrelevant to the ISO's consideration of Calpine's interconnection request to which Calpine's tariff waiver request pertains. Calpine has indicated to the ISO through its interconnection request that it desires a direct interconnection to the ISO controlled grid for the Sutter plant. The ISO is

³ See Western comments at 9.

obligated to respond to this interconnection request pursuant to its tariff interconnection procedures. Even if the ISO had a long-term pseudo-tie program in place in its tariff, this would not preclude Calpine from proceeding with its interconnection request – or its associated request for the tariff waiver that is the sole subject of this proceeding. Given the resulting disruption to the ISO’s orderly development of its long-term pseudo-tie program and the irrelevance of the issue to this proceeding, the Commission should reject Western’s recommendation to implement an investigation of the ISO’s pseudo-tie program at this time.

The ISO responds to one other comment by Western. Western notes that it has not agreed to all of the study assumptions that the ISO has used in its interconnection studies in response to Calpine’s interconnection request.⁴ As Western freely admits, this is a matter entirely outside the scope of this proceeding. Moreover, the ISO is responsible for establishing the study assumptions for its interconnection studies. The Commission should disregard this comment by Western.

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⁴ See Western comments at 7-8.

II. CONCLUSION

The ISO respectfully requests that the Commission reject Western's recommended investigation of the ISO's implementation of a long-term pseudo-tie program and act on Calpine's filing in a manner consistent with the answer filed herein.

Respectfully submitted,

By: /s/ Michael D. Dozier

Nancy Saracino

General Counsel

Sidney Davies

Assistant General Counsel

Michael D. Dozier

Senior Counsel

California Independent System

Operator Corporation

151 Blue Ravine Road

Folsom, CA 95630

Tel: (916) 608-7048

Fax: (916) 608-7222

mdozier@caiso.com

Attorneys for the California Independent
System Operator Corporation

Dated: December 16, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-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 this 16th day of December, 2010, at Folsom, California.

Anna Pascuzzo

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