

December 6, 2006

VIA ELECTRONIC FILING

The Honorable Magalie R. Salas Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

Re: Gilroy Energy Center, LLC Docket No. ER07-222-000

Dear Secretary Salas:

Transmitted herewith for electronic filing in the above-referenced proceeding is the Motion to Intervene of the California Independent System Operator Corporation.

Thank you for your attention to this matter.

Yours truly,

/s/ Sidney Mannheim Davies

Sidney Mannheim Davies
Assistant General Counsel
Counsel for the California Independent
System Operator Corporation

Enclosure cc: Service List

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Gilroy Energy Center, LLC) Docket No. ER07-222-000

MOTION TO INTERVENE OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.214, and the Commission's November 20, 2006, Combined Notice of Filings, the California Independent System Operator Corporation ("CAISO") submits this Motion to Intervene in the above captioned proceeding. In support thereof, the CAISO states as follows:

I. DESCRIPTION OF THE PROCEEDING

On November 15, 2006, Gilroy Energy Center, LLC (Gilroy) submitted certain revised rate schedules for the Reliability Must-Run ("RMR") Service Agreement between Gilroy and the CAISO. Gilroy has requested a January 1, 2007 effective date.

By its Notice issued November 20, 2006, the Commission established December 6, 2006, as the date motions to intervene are to be filed in the abovecaptioned proceeding.

II. DESCRIPTION OF THE CAISO AND COMMUNICATIONS

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California with a principal place of business at 151 Blue Ravine Road, Folsom, CA 95630. The CAISO is the Control Area operator

responsible for the reliable operation of the electric grid comprising the transmission systems of a number of utilities including Pacific Gas and Electric Company ("PG&E"), as well as the coordination of the ancillary services and real-time electricity markets in California.

The CAISO requests that all communications and notices concerning this motion and these proceedings be provided to:

Sidney Mannheim Davies Robert C. Kott

Assistant General Counsel Manager of Model and Contract Implementation

California Independent System California Independent System

Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
916-608-7144 (tel)
916-608-7222 (fax)
sdavies@caiso.com
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
916-608-5804 (tel)
916-608-7222 (fax)
rkott@caiso.com

III. CAISO'S INTEREST

Gilroy's RMR Units are located within PG&E's transmission system and are needed to maintain the reliability of the CAISO Controlled Grid. As the Control Area operator and as the counter party to the RMR Agreement, the CAISO has a unique interest in any Commission proceeding that affects an RMR Agreement. Accordingly, the CAISO has a direct and substantial interest in this proceeding and requests that it be permitted to intervene. Because no other party can adequately represent the CAISO's interests in this proceeding, the CAISO's intervention is in the public interest and should be granted.

IV. COMMENT

The CAISO has reviewed Gilroy's revised rate sheets and has no objection to a January 1, 2007 effective date.

V. CONCLUSION

For the foregoing reasons, the CAISO respectfully requests that the Commission grant this Motion to Intervene and make the CAISO a party in the above-caption proceeding with full rights of participation.

Dated: December 6, 2006

Respectfully submitted

/s/ Sidney Mannheim Davies

Sidney Mannheim Davies
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of December 2006 caused to be served a copy of the forgoing document upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

<u>/s/ Sidney Mannheim Davies</u> Sidney Mannheim Davies