

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

California Independent System Operator)
Corporation) Docket No. ER05-1502

**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION FOR LEAVE TO FILE
ANSWER, AND ANSWER TO
PROTEST AND COMMENTS OF THE
CITY OF SANTA CLARA, CALIFORNIA**

Pursuant to Rule 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213 (2006), the California Independent System Operator Corporation (“CAISO”) hereby files this motion for leave to file answer and answer to the protest and comments of the City of Santa Clara, California (“Santa Clara”), filed on July 3, 2006 in the above-referenced dockets. The CAISO believes that additional information would assist the Commission’s deliberations with respect to the issues raised in Santa Clara’s protest and comments. The CAISO therefore requests leave to file an answer, and files its answer to Santa Clara’s protest and comments. As explained below, although the CAISO does not oppose Santa Clara’s requests in theory, they are not, as suggested by Santa Clara, necessary to comply with the Commission’s “Order on Rehearing and Clarification,” issued in this docket on May 12, 2006.¹

I. INTRODUCTION

On September 22, 2005, the CAISO filed Amendment No. 72 to its Tariff. Among other things, Amendment No. 72 amended the CAISO Tariff to require Scheduling Coordinators (“SCs”) to submit Day-Ahead Schedules that reflect at least 95

¹ 115 FERC ¶ 61,168 (2006) (“May 12 Order”).

percent of their forecasted Demand for each hour of the applicable Trading Day.

Amendment No. 72 also required that SCs submit to the CAISO, on a weekly basis, an hourly summary comparing their total estimated actual load with their forecasted load and an estimate of the SC's actual Demand.

In an order issued on November 21, 2005,² the Commission approved Amendment No. 72 with certain modifications. Several parties filed requests for clarification of the November 21 Order asking that the Commission find that the requirements of Amendment No. 72 do not apply to generator station power. In the May 12 Order, the Commission accepted these requests, stating that "Amendment No. 72 does not apply to generator station power."³ The Commission stated that the "unpredictability of generator forced outages and the timeline for the must-offer waiver denial process make it impractical to impose the day-ahead scheduling requirement envisioned in Amendment No. 72 on generator station power."⁴ Accordingly, the Commission directed the CAISO to make a compliance filing "to exclude generator station power from Amendment No. 72."⁵

On June 12, 2006, the CAISO filed a compliance filing with the Commission ("June 12 Compliance Filing") which added language to the scheduling and weekly forecast submission provisions making clear that these provisions do not apply to the portion of an SC's Demand associated with Station Power as defined in the ISO Tariff.

² 113 FERC ¶ 61,187 (2005) ("November 21 Order").

³ May 12 Order at P 29.

⁴ *Id.*

⁵ *Id.*

II. DISCUSSION

Santa Clara raises two issues with respect to the CAISO's June 12 Compliance Filing. First, Santa Clara contends that the June 12 Compliance Filing fails to completely meet the Commission's requirement that the CAISO exclude Station Power Demand from the day-ahead scheduling requirements created by Amendment No. 72. Santa Clara states that this is the case because, although the CAISO modified Sections 4.5.4.7.1 ("Submission of Schedules Sufficient to Meet Forecast Demand")⁶ and 31.1.4.2 ("Preliminary Weekly Information") to specify that those sections do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power, the CAISO did not similarly propose to modify Section 31.1.4.1 ("Daily Information").⁷

No amendment to Section 31.1.4.1 is necessary to comply with the May 12 Order. As noted above, the May 12 Order directed the CAISO to make a compliance filing to exclude generator station power *from the requirements imposed by Amendment No. 72*, in particular, the day-ahead scheduling requirement. The *only* modification to Section 31.1.4.1 made as part of Amendment No. 72 was to change the time for submitting daily Demand Forecasts to the CAISO from 6:00 a.m. to 10:00 a.m. No new daily (or any other) reporting or scheduling requirements were imposed on SCs in Section 31.1.4.1 as a result of Amendment No. 72. In the May 12 Order, the Commission did not direct the CAISO to make changes to pre-existing tariff language and requirements that were not changed by Amendment No. 72. Rather, the

⁶ For purposes of this filing, the CAISO refers solely to the Tariff numbering contained in the currently effective "Simplified and Reorganized" ("S&R") Tariff.

⁷ Sections 4.5.4.7.1 and 31.1.4.2 were new sections of the ISO Tariff created by the Amendment No. 72 filing. Section 31.1.4.1 was an existing Tariff Section at the time Amendment No. 72 was filed.

Commission only directed the CAISO to “exclude generator station power from Amendment No. 72.” The CAISO complied with that directive by modifying Sections 4.5.4.7.1 and 31.1.4.2 to exclude generator station power from the new filing and reporting requirements proposed in Amendment No. 72.

In any event, the change requested by Santa Clara is unnecessary. In that regard, Section 34.1.4.1 specifies that each SC provide a Demand Forecast “for which it will schedule deliveries.” Because Section 4.5.4.2.1.1 exempts SCs from having to schedule Station Power, SCs will not have to include Station Power in their forecast. Moreover, as counsel for the CAISO explained to counsel for Santa Clara prior to Santa Clara filing its comments and protest, the CAISO has never read Section 31.1.4.1 as requiring SCs to submit data on Demand associated with Station Power, and did not intend to change this position in Amendment No. 72.

The CAISO does not, in theory, oppose Santa Clara’s request to add to Section 31.1.4.1 the same language that the CAISO added to Sections 4.5.4.7.1 and 31.1.4.2 in the June 12 Compliance Filing. However, for the reasons articulated above, the CAISO does not believe that the June 12 Compliance Filing was deficient because it did not include such language. An additional compliance filing to include such language is unnecessary and would constitute a waste of CAISO and Commission resources.

Santa Clara’s second point concerns two “minor clerical errors” in the June 12 Compliance Filing. Specifically, the blackline Tariff sheets for the pre-S&R Tariff included in that filing incorrectly cross-reference provisions in the currently effective S&R Tariff. Santa Clara requests that the Commission require the CAISO to re-submit Tariff sheets to correct these inaccuracies. The CAISO apologizes for any confusion

that these errors might have caused, but given that the pre-S&R Tariff is no longer in effect, and the fact that the clean sheets filed in the June 12 Compliance Filing were accurate, the CAISO submits that no additional revisions and filings are necessary.

III. CONCLUSION

For the foregoing reasons, the CAISO respectfully urges the Commission to approve without modification the June 12 Compliance Filing, and dismiss the protest and comments of Santa Clara.

Respectfully submitted,

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Dated: July 18, 2006

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 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 this 18th day of July, 2006 at Folsom in the State of California.

/s/ Charity Wilson

Charity Wilson