



California Independent
System Operator Corporation

July 20, 2007

Via Electronic Filing

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: Southern California Edison Company
Docket No. ER07-1034-000**

Dear Secretary Bose:

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

Thank you for your attention to this matter.

Yours truly,

/s/ Grant Rosenblum

Grant Rosenblum
Senior Counsel
Counsel for the California Independent
System Operator Corporation

Enclosure
cc: Service List

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

| | | |
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| Southern California Edison Company |))) | Docket No. ER07-1034-000 |
|---|-------------|---------------------------------|

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

The California Independent System Operator Corporation (“CAISO”) respectfully submits this motion for leave to answer and answer to the protest of Green Borders Geothermal, LLC (“Green Borders”) submitted on July 5, 2007 in the above-reference proceeding.

I. MOTION FOR LEAVE TO ANSWER PROTESTS

Answers to protests are not usually permitted under Commission Rule 213(a)(2), 18 C.F.R. § 385.213(a)(2). The CAISO therefore requests waiver of the rule to permit it to file this answer. Good cause for a waiver exists because this answer will aid the Commission in understanding the issues in the proceeding, provide additional information to assist the Commission in the decision-making process, and help to ensure a complete and accurate record in this case. *See, e.g., Entergy Services, Inc.*, 101 FERC ¶ 61,289, at 62,163 (2002); *Duke Energy Corporation*, 100 FERC ¶ 61,251 at 61,886 (2002); and *Delmarva Power & Light Company*, 93 FERC ¶ 61,098 at 61,259 (2000).

II. ANSWER TO PROTEST

This proceeding arises from the application of Green Borders Geothermal, LLC (“Green Borders”) to interconnect with Southern California Edison’s (“SCE”) transmission system. Specifically, Green Borders applied to the CAISO under its

previously effective Amendment 39 interconnection procedures to interconnect a 62 MW geothermal generating facility to the non-SCE owned Dixie Valley-Oxbow 220 kV transmission line with a proposed CAISO Controlled Grid point of interconnection at SCE's Control 115 kV substation. SCE performed and concluded the interconnection studies and provided Green Borders with the results.

Following contract negotiations among SCE, Green Borders, and the CAISO pursuant to the Large Generator Interconnection Procedures ("LGIP"), the parties were able to reach agreement on many, but not all, issues regarding execution of a Large Generator Interconnection Agreement ("LGIA"). As a result of this inability to reach agreement, Green Borders in accordance with the LGIP requested that SCE file with the Commission an unexecuted LGIA, which SCE did on behalf of itself and the CAISO on June 14, 2007.¹ Green Borders protested the filing.

As noted in its protest, Green Borders questions the reasonableness of the costs associated with interconnecting the project. In this regard, Green Borders notes that it has raised a number of questions with SCE, including whether some form of remedial action scheme or congestion management under the CAISO's Market Redesign and Technology Upgrade project could mitigate the need for some or all of the identified Network Upgrades.

Given the timing of the interconnection studies applicable to the Green Borders project, the CAISO has not comprehensively evaluated the viability of

¹ Should there be any question regarding the CAISO's status as a party in this proceeding, the CAISO requests that the Commission also treat this pleading as a motion to intervene out-of-time pursuant to Commission Rule 214.

the alternative solutions proposed by Green Borders to address the reliability concerns properly identified in the interconnection studies performed by SCE. The CAISO is not opposed to studying these options at this time and, accordingly, the CAISO has no objection to the suggestion advanced by Green Borders that the Commission set this matter for hearing, suspend the hearing procedures, and instead implement settlement procedures by which the parties can engage in further negotiations in order to resolve the matters raised herein.

III. CONCLUSION

For the foregoing reasons, the CAISO respectfully requests that the Commission set this matter for hearing, suspend the hearing procedures, and instead implement settlement procedures by which the parties can engage in further negotiations in order to resolve the concerns advanced by Green Borders regarding the unexecuted LGIA.

Respectfully submitted,

/s/ Grant Rosenblum
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Dated: July 20, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have, this 20th day of July 2007, 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.

/s/ Grant Rosenblum
Grant Rosenblum