

California Independent System Operator Corporation

March 19, 2008

Via Electronic Filing

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

Re: Motion of the California Independent System Operator for Leave to Answer and Answer to the Supplemental Motion to Intervene of the Citizens Energy Corporation Docket No. OA08-62-000

Dear Secretary Bose:

Attached please find the Motion for Leave to Answer and Answer to the Supplemental Motion to Intervene of the Citizens Energy Corporation of the California Independent System Operator Corporation for filing in the above-referenced docket.

Thank you for your attention to this matter.

Respectfully Submitted,

<u>/s/ Grant Rosenblum</u>

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

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

California Independent System)Operator Corporation)Docket

Docket No. OA08-62-000

MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR FOR LEAVE TO ANSWER AND ANSWER TO THE SUPPLEMENTAL MOTION TO INTERVENE OF THE CITIZENS ENERGY CORPORATION

Pursuant to Rules 212 and 213 of the Commission's Rules of Practice and

Procedure, 18 C.F.R. §§385.212 and 385.213 (2006), the California Independent System

Operator Corporation ("CAISO") respectfully moves for leave to answer and to answer

the Supplemental Motion to Intervene ("Supplemental Motion") of Citizens Energy

Corporation ("Citizens") filed on February 27, 2008 in this proceeding.¹

I. Citizens Raises Issues that are Premature, Without Foundation and Not Germane to the CAISO's Order No. 890 Compliance Filing

In the Supplemental Motion, Citizens focuses on only one of the issues (joint ownership) discussed during the February 13, 2008 meeting, and has ignored the other issues and concerns raised by the CAISO regarding Citizens' proposed entitlement on the GreenPath project. However, both at that meeting and during an earlier discussion, Citizens was repeatedly advised that the CAISO's primary interest is to ensure that the GreenPath entitlement is evaluated within the context of the CAISO's transmission study process prior to consideration for approval. Specifically, the CAISO described its

¹ The CAISO submits that good cause exists to accept the CAISO's answer. The Commission has accepted answers that are otherwise prohibited if such answers clarify the issues in dispute, *Southwest Power Pool, Inc.,* 89 ¶61,284 at 61,888 (2000). Answers have also been accepted where the information assists the Commission in making a decision, *El Paso Electric Co.,* 72 FERC ¶61,292 at 62,256 (1995). The instant answer will fill both purposes and is intended to provide clarification of the issues and assistance to the Commission in reaching its ultimate determination in this docket. Moreover, the CAISO does not oppose Citizens' motion for leave to file the Supplemental Motion.

objection to any effort to force the CAISO to accept "pieces" of transmission projects that have been developed outside the CAISO's long-term transmission process to meet the needs of entities external to the CAISO Balancing Authority Area, and then seek to spread the costs of those projects to CAISO ratepayers. Thus, Citizens raises an issue that is not ripe for decision or appropriate for the Commission's consideration in this proceeding by prematurely calling into question how the CAISO intends to implement its transmission planning process when it has not yet availed itself of that process.

In this regard, Citizens alleges uncertainty regarding the CAISO's interpretation of "operational control" as it applies to jointly owned projects that are not within the physical control of the CAISO. However, the language in Order No. 890 did not alter the CAISO's existing Tariff provisions, which have been reviewed and interpreted by the Commission.² As such, the CAISO acknowledges the need to apply existing Commission precedent and properly develop any factual issues implicated by such precedence as part of the consideration of GreenPath during the transmission planning process. Simply put, the issues raised by Citizens are not germane until and unless Citizens actually submits its anticipated entitlement in the new GreenPath project to the CAISO for evaluation in accordance with the CAISO Tariff.

The CAISO's transmission planning process is set forth in its current and proposed compliance tariff sections, as well as its Business Practice Manual (BPM) that was developed with stakeholder input (including Citizens). Section 3 of the BPM describes the "Request Window" method that will be used by the CAISO to solicit and manage transmission project requests. If Citizens desires the CAISO to evaluate its

² See *City of Anaheim, California*, Opinion No. 483, 113 FERC ¶61,091 (2005), *reh'g denied*, Opinion 483-A, 114 FERC ¶ 61,311 (2006)

GreenPath entitlement, then Citizens must present its proposal to the CAISO during the 2008 Request Window for study during 2009. The Commission should not countenance any attempt to jump ahead of the specific steps set forth in the CAISO Tariff.

As Citizens correctly notes, the CAISO has recommended that joint ownership issues be addressed and vetted with stakeholders in a separate stakeholder process. This is the appropriate mechanism to address any legitimate concerns raised by Citizens and others about this matter. Simply stating that joint ownership represents a barrier to CAISO consideration is not a legitimate concern. Moreover, properly vetting issues through a stakeholder process will not delay the CAISO's evaluation of GreenPath, should Citizens elect to seek CAISO review.

II. Conclusion

Contrary to Citizens' contention, there is nothing regarding the CAISO's position on this matter that requires Commission clarification. The CAISO's transmission planning process is clearly described in the CAISO Tariff and BPM and Citizens is welcome to avail itself of these procedures. There is no need to revise the CAISO Tariff or to address the joint ownership issues at this time, and the Citizens' Supplemental Motion should be denied.

Respectfully submitted,

/s/ Grant Rosenblum

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March 19, 2008

CERTIFICATE OF SERVICE

I hereby certify that I have served, by electronic and United States mail, a Motion of The California Independent System Operator for Leave to Answer and Answer to the Supplemental Motion to Intervene of The Citizens Energy Corporation in Docket No. OA08-62-000.

Executed on March 19, 2008, at Folsom, California.

<u>/s/Anna Pascuzzo</u> Anna Pascuzzo apascuzzo@caiso.com