

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

California Independent System Operator Corporation)	Docket No. ER04-445-010
Pacific Gas and Electric Company)	Docket No. ER04-443-008
San Diego Gas and Electric Company)	Docket No. ER04-441-008
Southern California Edison Company)	Docket No. ER04-435-013

(Not Consolidated)

MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FOR AN EXTENSION OF TIME TO FILE COMPLIANCE FILING ON CENTRALIZED STUDY PROCESS

Pursuant to Rule 212 of the Federal Energy Regulatory Commission (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.212 (2004), the California Independent System Operator Corporation (“CAISO”) hereby respectfully requests an extension of time from October 14, 2005 to November 1, 2005 to submit a joint proposal for centralized study procedures developed through a collaborative stakeholder process, as required by the Commission’s August 26, 2005 “Order Granting Extension of Time and Motion for Clarification and Denying Request Rehearing,” issued in the above-referenced dockets.¹ The CAISO has consulted with San Diego Gas & Electric Company, Southern California Edison Company and Pacific Gas and Electric Company (collectively “Participating Transmission Owners” or “PTOs”) regarding this request. The CAISO has been authorized to present that each of the PTOs supports the request for extension.

¹ 112 FERC ¶ 61,231 (2005) (“August 26 Order”).

I. MOTION FOR EXTENSION OF TIME

A. Background

On July 1, 2005, the Commission issued its order² addressing the CAISO's January 5, 2005 and February 18, 2005 Large Generator Interconnection Procedures ("LGIP") compliance filings, as well as the joint CAISO/PTO Large Generator Interconnection Agreement ("LGIA") compliance filings both made pursuant to Order Nos. 2003, 2003-A, and 2003-B. In the July 1 Order, the Commission, approved most of the CAISO and PTOs' proposed modifications to the Commission's pro forma LGIP and LGIA. However, the Commission required certain modifications to the proposed LGIP and LGIA, one being that the CAISO and the PTOs adopt a centralized study process, under which the CAISO conducts the interconnection studies to ensure that an Interconnection Customer is not "unduly burdened by coordinating multiple studies with multiple PTOs, and the study findings include the overall effect of the interconnection on the Grid as a whole, where appropriate."³ The Commission directed the CAISO to make a conforming compliance filing within 60 days of the date of the July 1 Order, including changes necessary to implement the centralized study process.

The PTOs filed a joint request for rehearing and clarification of the July 1 Order ("PTO Rehearing") on the centralized study process mandate, arguing, among other things, that the Commission had no legal authority to transfer the interconnection study function from the PTOs to the CAISO. The PTO Rehearing also included a motion to partially postpone the CAISO's compliance filing to allow the CAISO a minimum of six months to conduct a stakeholder process, and develop a detailed, consensus proposal

² 112 FERC ¶ 61,009 (2005) ("July 1 Order").

³ *Id.* at P 55.

for any further centralizing of the interconnection study function. On August 10, 2005, the CAISO filed an answer to the PTO Rehearing solely on the motion to extend the filing date, in which the CAISO stated that it agreed with the PTOs that 60 days was not sufficient to develop a centralized study process, but concluded that an extension of approximately six weeks, up to October 14, 2005, rather than six months, would allow the CAISO and stakeholders sufficient time to develop and file an LGIP that incorporated the centralized study process.

The Commission's August 26 Order granted a six-week extension of time to October 14, 2005 for the CAISO and PTOs to file an LGIP incorporating the centralized study process. In the August 26 Order, the Commission also clarified several aspects of the July 1 Order's directive regarding the centralized study process. The Commission stated that the CAISO should collaborate with interested stakeholders, including the PTOs, to develop its centralized study process proposal. With respect to the PTOs role in the study process itself, the Commission clarified that the PTOs may participate in the interconnection studies under the centralized process where the PTOs have very specific and nontransferable expertise or data and it is determined that it is most efficient and cost effective for the PTOs, rather than CAISO, to conduct those studies. The Commission also stated that the centralized study process must allow for appropriate expert review from sources available to the CAISO "to ensure an independent review of the results of the studies conducted by the PTOs." The Commission further found that if the CAISO does physically conduct interconnection

studies, the PTOs should have adequate review and recommendation rights under the centralized study process.⁴

B. Need for Additional Time to Draft Final Agreement and Receive Management Review and Execution

The August 26 Order directed, among other things, the CAISO to initiate a stakeholder process, specifically including the PTOs, to develop the centralized study process. Consistent with this directive, the CAISO has collaborated with its stakeholders, including the PTOs, to develop a centralized process that achieves the objectives articulated in the July 1 and August 26 Orders as well as realizes the efficiencies contemplated by the Commission in approving continued PTO participation in interconnection studies. However, as previously recognized by the Commission in *Southwest Power Pool, Inc.*,⁵ the Commission's pro forma LGIP and LGIA provide little guidance as to the appropriate division of responsibilities between the Transmission Provider and Transmission Owners.⁶ Accordingly, in order to fill this gap, the CAISO and PTOs have elected to follow the Commission's recommendation in *Southwest Power Pool, Inc.* to allocate these responsibilities by way of a separate agreement and associated procedures that will be attached to the LGIP, and included in the upcoming LGIP compliance filing. This agreement and procedures will inform Interconnection Customers of the respective responsibilities of the CAISO and PTOs

The CAISO and PTOs have worked diligently to produce the responsibilities agreement and procedures, holding twice-weekly conference calls and engaging in

⁴ August 26 Order at P 21.

⁵ 106 FERC ¶ 61,254 (2004).

⁶ *Id.* at P 14.

several days of face-to-face discussions since making the prior August 30, 2005 interim compliance filings. These efforts have been successful. The CAISO and PTOs have reached an agreement in principle. However, given that the CAISO and PTOs contemplate filing the responsibilities agreement and procedures along with revised LGIP and LGIA Tariff provisions reflecting the centralized study process, the current deadline of October 14, 2005 is inadequate to finalize the documents, receive review and approval from the entities' respective management, and obtain the necessary signatures. Thus, the CAISO requests that the Commission extend the date for complying with the August 26 Order from October 14, 2005 to November 1, 2005. This short extension will allow the necessary remaining tasks to be performed in an orderly and efficient manner, and allow the CAISO and PTOs to present a consensus agreement on the division of responsibilities under the new centralized study process, which will benefit both the Commission and stakeholders.

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II. CONCLUSION

For the foregoing reasons, the Commission should grant this Motion and permit the CAISO until November 1, 2005 to make LGIP and LGIA compliance filings regarding the centralized interconnection study process.

October 12, 2005

Respectfully submitted,

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System Operator Corporation



October 12, 2005

BY ELECTRONIC TRANSMISSION

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

Re: California Independent System Operator Corporation
Docket No. ER04-445-010
Pacific Gas and Electric Company
Docket No. ER04-443-008
San Diego & Electric Company
Docket No. ER04-441-008
Southern California Edison Company
Docket No. ER04-435-013

Dear Secretary Salas:

Enclosed for electronic filing please find a Motion of The California Independent System Operator Corporation for an Extension of Time to File Compliance Filing on Centralized Study Process in the above-referenced dockets.

Thank you for your assistance in this matter.

Very truly yours,

/s/ Grant Rosenblum
Grant Rosenblum

Counsel for the California Independent
System Operator Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Folsom, California, this 12th day of October, 2005.

/s/ Grant Rosenblum
Grant Rosenblum