

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

California Independent System Operator Corporation)	Docket Nos. ER02-1656-017
)	ER02-1656-018
)	ER02-1656-019
)	ER04-928-000
Public Utilities Providing Service In California under Sellers' Choice Contracts)	and EL04-108-000
)	
California Independent System Operator Corporation)	Docket Nos. ER02-1656-003
)	ER02-1656-004
)	ER02-1656-015
)	and EL01-68-000

MOTION FOR EXTENSION OF TIME

Pursuant to Rules 212 and 2008 of Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. §§ 385.212, 385.2008, the California Independent System Operator Corporation ("CAISO") moves for a further extension of the deadline for submitting two compliance filings:

- (1) the filing to comply with the requirement in the Commission's Order of October 28, 2003 ("October 28, 2003 Order") that the CAISO submit a filing explaining any market design changes that result from the California Public Utility Commission's ("CPUC's") final rule on resource adequacy;¹ and

¹ *California Independent System Operator Corporation*, 105 FERC ¶ 61,140, at P 216 (2003). The CPUC issued its *Interim Opinion Regarding Resource Adequacy*, Decision 04-10-035, on October 28, 2004.

- (2) the filing to comply with the requirement in the Commission's Order of September 20, 2004 ("September 20, 2004 Order") that the CAISO provide additional information on the merits of its proposed simplified hour-ahead scheduling process.²

Currently, the filing to comply with the October 28, 2003 Order is due February 7, 2005 and the filing to comply with the September 20, 2004 Order is due January 18, 2005.³

I. Request for Extension of Time

The CAISO respectfully submits that good cause exists for granting this motion. The October 28, 2003 Order addressed conceptual market design elements of the CAISO's Market Redesign & Technology Upgrade ("MRTU") project. The September 20, 2004 Order also addressed conceptual market design elements of the MRTU program, including the CAISO's proposal for a simplified hour-ahead market. The CAISO intends to submit a filing in early April 2005 that will reflect the proposed final conceptual design of the MRTU project.⁴ The CAISO believes that it is appropriate to integrate the information required for the filings to comply with the October 28, 2003 and September 20, 2004 Orders

² *California Independent System Operator Corporation*, 108 FERC ¶ 61,254, at PP 43, 46 (2004).

³ On November 30, 2004, the CAISO moved for an extension of time to allow it to submit the compliance filings on those dates in January and February. The Commission granted the motion on December 7, 2004.

⁴ At this point in time, it is the CAISO's intent that such an early-April filing will seek to resolve – from a conceptual design standpoint – all remaining unresolved MRTU-related design issues save for the Congestion Revenue Right feasibility study and allocation effort. The CAISO anticipates its first substantive results from that effort by mid-June, 2005. Conceptual issues pertaining to the treatment of existing transmission contracts are addressed in the CAISO's December 8, 2004 filing, and the Commission should grant the conceptual authorizations requested therein by mid-February so that the CAISO can meet key project milestones with respect to software development and maintain the project implementation schedule.

into the information that the CAISO will include in the final conceptual MRTU conceptual design filing.

As the Commission is aware, the CAISO recently commissioned an independent third-party review of the CAISO's market design proposal. The CAISO is in the process of finalizing that review and intends to release the review to stakeholders and other interested parties within the next month. At present, the third-party review makes a number of specific recommendations to modify the CAISO's currently proposed market design. Once finalized, these recommendations will need to be reviewed by the CAISO and discussed with stakeholders. If appropriate, the CAISO will make changes to the proposed conceptual design previously filed with the Commission. In light of the need to evaluate and, if necessary, integrate the results of the CAISO-commissioned third-party review of the proposed market design, the CAISO believes that it is appropriate to also integrate any design changes resulting from the two compliance filings outlined above into a single, integrated, conceptual design proposal.

At this point in time, the CAISO anticipates releasing the third-party review of the CAISO's proposed market design within the next month. In addition, the CAISO anticipates facilitating continued stakeholder discussions regarding resource adequacy (and the related issues of bidding, scheduling, dispatch, and ancillary services selection of the resources procured by load-serving entities, and market power mitigation) and, potentially, the structure and function of the hour-ahead market. The CAISO proposes to conclude stakeholder discussions

on these matters by the middle of March so that a comprehensive conceptual design proposal on the remaining outstanding issues can be presented to the CAISO Board of Governors at their March Board meeting. Based on the outcome of that meeting, the CAISO would then file the conceptual design proposal with the Commission in early April.

The CAISO believes that the process outlined above will allow Market Participants, the Commission, and the CAISO to best use their resources in the review and approval of the most comprehensive conceptual design package possible. The CAISO is well aware of the importance of these filings. These are key features of the market design. While the CAISO has been working diligently to complete the submissions, more time is needed to develop the proposals and to ensure that the MRTU project will work as a fully integrated market design. Therefore, the CAISO requests that the Commission allow the CAISO to submit the compliance filings when the MRTU filing is submitted in April. The CAISO plans to incorporate the information for the compliance filings into a single April filing, *i.e.*, the ISO will submit a single MRTU filing in April that addresses outstanding design issues, identifies the proposed final conceptual design, and contains the compliance information.

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II. Conclusion

For the reasons discussed above, the CAISO respectfully requests that the Commission grant the requested extension of time for the submittal of the compliance filings consistent with the discussion herein.

Respectfully submitted,

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Dated: January 18, 2005



January 18, 2005

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

**Re: California Independent System Operator Corporation and Public
Utilities Providing Service in California Under Sellers' Choice
Contracts
Docket Nos. ER02-1656-017, ER02-1656-018, ER02-1656-019,
ER04-928-000 and EL04-108-000**

**California Independent System Operator Corporation
Docket Nos. ER02-1656-003, ER02-1656-004, ER02-1656-015, and
EL01-68-000**

Dear Secretary Salas:

Enclosed please find an electronic filing of the Motion for Extension of Time of the California Independent System Operator Corporation in the aforementioned dockets.

Thank you for your attention to this filing.

Respectfully submitted,

/s/ Anthony J. Ivancovich
Anthony J. Ivancovich

Counsel for the California Independent
System Operator Corporation

CERTIFICATE OF SERVICE

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

Dated at Folsom, CA, this 18th day of January, 2005.

/s/ Anthony J. Ivancovich
Anthony J. Ivancovich