

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

California Independent System Operator Corporation) **Docket No. ER06-615-_____**
)

**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION FOR EXTENSION OF TIME TO
SUBMIT COMPLIANCE FILINGS**

Pursuant to Rules 212 and 2008 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.2008 (2006), the California Independent System Operator Corporation (“CAISO”)¹ hereby moves for an extension of the time for complying with several elements of the Commission’s order issued on September 21, 2006, 116 FERC ¶ 61,274 (2006) (“September 21 Order”)² in the above captioned docket. In support of its motion, CAISO states the following.

I. MOTION FOR EXTENSION OF TIME

Simultaneously with the instant motion for extension of the time to file certain MRTU Tariff changes or other filings in compliance with the Commission’s September 21 Order, the CAISO is submitting the majority of the MRTU Tariff changes and information required within 60 days of the September 21 Order. Because of the

¹ Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the MRTU Tariff.

² In its October 3, 20-06, Request for Clarification/Rehearing of the September 21 Order, the CAISO also requested clarification or an extension of time to comply with the Commission’s directive that the CAISO provide additional details concerning its proposal to allocate CRRs to sponsors of merchant transmission projects. September 21 Order at PP 873, 1357. As explained in its Request for Clarification/Rehearing, the CAISO believes it is more appropriate to file these details in a time frame consistent with the compliance filing required by the Commission’s Final Rule on Long-Term Firm Transmission Rights. In that pleading, the CAISO also requested an extension of time to complete its evaluation of whether it was necessary to modify the proposal to set aside 50 percent of the inertie capacity for the CRR auction until the end of the CRR dry run. See *id.* at P 830.

CAISO's continued commitment to stakeholder input, the coming holidays, and due to the large number of compliance filings to be completed within a short amount of time, the CAISO requests an extension of the time permitted to comply with the following directives in the September 21 Order:

A. Paragraph 389 – Sales of Interruptible Imports

The CAISO requests a 30-day extension of time to comply with the Commission's directive in Paragraph 389 of the September 21 Order that requires it to explain how it will handle sales of interruptible imports in the Day-Ahead Market. Because the self-scheduling of interruptible imports had never been discussed with the stakeholders, the CAISO needs extra time to propose new language and receive appropriate feedback. The CAISO already has posted draft tariff language of Section 30.5.2.4 and 34.16.2 for stakeholder review and comment. Allowing for a two-week stakeholder comment period followed by possible revisions based on those comments, the CAISO requests that it be permitted to submit a compliance filing as required by Paragraph 389 by December 20, 2006.

B. Paragraph 1059 - Clarifying Procedures in Section 39.7.1.3 on Market Power Mitigation

The CAISO requests a 30-day extension of time to comply with the Commission's directive in Paragraph 1059 of the September 21 Order that requires the CAISO to clarify the procedures that a Market Participant must follow in order to exercise the negotiated option for Default Energy Bids, and the types of information that a Market Participant must provide. The CAISO believes that its development of the process and criteria that will be used for determining negotiated Default Energy Bids

would benefit from stakeholder input and is therefore requesting a one-month filing extension in order to solicit this input through a stakeholder process. Allowing for a two-week stakeholder comment period, followed by possible revisions to the CAISO's proposal based on stakeholder comments, the CAISO requests that it be permitted to submit a compliance filing as required by Paragraph 1059 by December 20, 2006.

C. Paragraph 1063 - Market Power Mitigation (80% Mitigation Frequency and Frequently Mitigated Units)

The CAISO requests a 30-day extension of time to comply with Paragraph 1063 of the September 21 Order, which requires the CAISO to consider whether the 80 percent mitigation frequency is appropriate, and whether units mitigated less than 80 percent of the time should also receive a bid adder, and to report its conclusions and submit necessary tariff revisions. The CAISO believes that its consideration of this issue would benefit from stakeholder input and is therefore requesting a one-month compliance filing extension in order to solicit this input through a stakeholder process. Allowing for a two-week stakeholder comment period followed by possible revisions based on stakeholder comments, the CAISO requests that it be permitted to submit a compliance filing as required by Paragraph 1063 by December 20, 2006.

D. Paragraph 530 - Ambiguity of Certain Definitions In Section 11

The CAISO requests a 90-day extension of time in order to comply with the Commission's directive in Paragraph 530 of the September 21 Order that requires it to revise definitions in MRTU Tariff Section 11 for clarity and accuracy, including the definitions for Bid Cost, Unrecovered Bid Cost Uplift, Minimum Up Time, Commitment Intervals, and Final Real-Time Market Self-Commitment Period. There are potentially hundreds of terms in Section 11 that require evaluation and either correction,

clarification or the addition of new definitions, not to mention the definitions in other portions of the MRTU Tariff that may require revision as a consequence of the additions. Because of the enormity of this undertaking as well as the myriad compliance tasks already in process, the CAISO expects to be able to offer the initial definitions for stakeholder review and comment no earlier than January 2007. The CAISO requests that it be allowed to submit a compliance filing as required by Paragraph 530 by February 20, 2007.

E. Paragraph 1330 - Definitions

The CAISO requests a 90-day extension of time to comply with the Commission's requirement, as set forth in Paragraph 1330 of the September 21 Order, that the CAISO provide definitions for all capitalized terms and acronyms used in the MRTU Tariff. Similar to the compliance filing required by Paragraph 530 of the September 21 Order, there are potentially hundreds of capitalized terms throughout the MRTU Tariff that require evaluation and either correction, clarification or the addition of new definitions. Because of the enormity of the task and the need for stakeholder review, the CAISO requests that it be allowed to submit a compliance filing as required by Paragraph 1330 by February 20, 2007.

F. Paragraph 1345 - Other Tariff Issues

The CAISO requests a 90-day extension of time to comply with the Commission's directive in Paragraph 1345 of the September 21 Order to include a definition for IFM Congestion Charge. The CAISO believes it will be an efficient use of resources to provide this definition in conjunction with the comprehensive set of

definitions that will be submitted in compliance with Paragraph 1345 on February 20, 2007.

G. Paragraph 1167 – Reliability Criteria

The CAISO requests a 90 day extension of time to comply with the Commission’s directive in Paragraph 1167 of the September 21 Order that the CAISO: (1) incorporate into the MRTU Tariff which set of reliability criteria it will use in developing the local capacity area resource requirements and (2) distinguish between the reliability needs addressed by the Reliability Must-Run (“RMR”) technical study process and the local capacity study process. The Commission in the September 21 Order recognized that the CAISO “is uniquely situated to assess capacity needs in constrained areas and load pockets” and “must play a greater role in setting *local* RA requirements.” September 21 Order at P 1119. Nevertheless, the Commission also accepted that the MRTU Tariff contemplates a collaborative process among the CAISO, the California Public Utilities Commission (“CPUC”), Local Regulatory Authorities and other market participants to develop the critical underpinnings of the Local Capacity Area technical study. See MRTU Tariff § 40.3.1. Consistent with this structure, as well as explicit CPUC requests to refine certain aspects of the local capacity area study, the CAISO is currently engaged in a preliminary process with representative stakeholders to reassess the reliability criteria and assumptions that will drive Local Capacity Area requirements. The CAISO does not want to presuppose the outcome of this process by prematurely delineating the specific reliability needs addressed by the local capacity area study. The CAISO anticipates that this pending collaborative process will yield sufficient results to affect compliance with the foregoing Commission directives.

It should be noted that a potential outcome of the collaborative process could be the “collapsing” of the RMR and Local Capacity Area study analyses. This outcome would eliminate the need to distinguish between the respective reliability needs, but could trigger other potential tariff modifications. The CAISO believes that the requested 90-day extension would prevent duplicative filings by the CAISO within a short time interval by allowing a single assessment of the outcome of the collaborative process and therefore constitute a more efficient use of Commission resources. As a result, the CAISO requests that it be allowed to respond to the compliance filing required by Paragraph 1167 by February 20, 2007.

H. Paragraph 854 - Revenue Adequacy/Balancing Account

The CAISO is requesting a 120-day extension of time in order to comply with the Commission’s directive in Paragraph 854 of the September 21 Order that requires it to explain how it will “forgive” outstanding debt in the yearly balancing account. Completing this task will require that the CAISO clarify for the Commission how the default procedures would work in the tariff. In addition, the CAISO believes it would be appropriate to provide stakeholders an opportunity to comment prior to filing on any proposed changes to the default provisions of the tariff as these provisions have been carefully drafted to ensure creditor and debtor rights are adequately balanced. Allowing for further time to develop these Tariff provisions, a sufficient stakeholder comment period, followed by possible revisions, the CAISO requests that it be allowed to submit a compliance filing as required by Paragraph 854 by March 20, 2007.

II. CONCLUSION

For the reasons set forth above, the CAISO requests that the Commission grant this motion for extension of the time permitted to comply with certain directives in the September 21 Order.

Respectfully submitted,

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Dated: November 20, 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 20th day of November, 2006 at Folsom in the State of California.

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