



SDG&E's combustion turbine facilities ("Turbine Agreement"). This agreement was initially filed with the Commission on October 31, 1997 in Docket No. ER98-496-000, and amended by SDG&E's filing of March 11, 1998 in Docket No. ER98-2160-000.<sup>1</sup> The proposed amendment to the Turbine Agreement filed on September 9 would allow either the turbine facility owner ("Owner") or the ISO to terminate the Turbine Agreement if the Owner's authorization from a Governmental Authority that is necessary to site, operate or obtain access to a must-run unit is terminated or expires, or is issued or modified such that it is uneconomical or otherwise impractical for the Owner to continue operating the turbine facility. Under the amendment, the Owner is obligated to use its best efforts to keep such authorizations effective and to oppose conditions or modifications that might trigger the exercise of the termination power.

SDG&E states that the proposed amendment to the Turbine Agreement is necessary because the contract under which it currently occupies the land where the turbines are sited expires on September 29, 1988. Should current negotiations to extend the contract with the Governmental Authority landowner, the Department of the Navy, prove unsuccessful, the proposed amendment would allow the Turbine Agreement to be terminated. SDG&E requests waiver of the 60-day notice rule to allow the amendment to become effective as of September 29, 1998, the expiration date of the existing contract.

SDG&E states that it expects the ISO, the only party served under the Turbine Agreement rate schedule, to concur in the proposed amendment. SDG&E further notes that the filed amendment would not affect the MMRAs relating to SDG&E's generation facilities at Encina and South Bay.

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<sup>1</sup> The Commission accepted the Turbine Agreement for filing on May 1, 1998. San Diego Gas & Electric Company, 83 FERC ¶ 61,113 (1998). The procedural schedule in Docket Nos. ER98-496 et al. was suspended by order of Chief Judge Curtis L. Wagner on September 24, 1998 to allow the continuation of ongoing settlement negotiations in that proceeding.

### **III. BASIS FOR MOTION TO INTERVENE**

The ISO is a non-profit public benefit corporation organized under the laws of the State of California and responsible for the reliable operation of a grid comprising the transmission systems of Pacific Gas and Electric Company, Southern California Edison Company and SDG&E. The ISO therefore has a unique interest in any FERC proceedings that could affect the operation of that grid.

At issue in this proceeding is a proposed amendment to an agreement between the ISO and SDG&E governing the operation of “reliability must-run” generating units dispatched by the ISO to ensure the reliability of the ISO-Controlled Grid. The amendment would allow termination of that agreement under certain circumstances, potentially affecting the ISO’s ability to maintain the reliability of the ISO-Controlled Grid. As the operator charged with maintaining the reliability of the Grid, including the transmission facilities that SDG&E has turned over to the ISO, the ISO has an interest in this proceeding which cannot adequately be represented by any other party. Accordingly, the ISO respectfully requests that it be permitted to intervene herein with full rights of a party.

### **IV. COMMENTS**

The ISO recognizes that SDG&E might, despite all best efforts, be unable to extend a contract for siting of a must-run generating unit on land owned by a Governmental Authority. The ISO therefore concurs with the proposed amendment insofar as termination of the Turbine Agreement might be a necessity under such circumstances. The ISO notes, however, that the ISO relies on must-run units to ensure the reliability of the ISO-

Controlled Grid and the loss of any generation associated with such units, including the combustion turbine units at issue in this proceeding, could have an adverse impact on the ISO's ability to maintain the reliability of the ISO-Controlled Grid. The ISO's concurrence in the proposed amendment should not be misinterpreted as an indication that the loss of SDG&E's combustion turbines as reliability must-run units would have no effect on reliability.

## **V. CONCLUSION**

Based on the foregoing, the ISO respectfully requests that the Commission permit it to intervene and that it be accorded full party status in this proceeding.

Respectfully submitted,

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Attorneys for the California Independent System Operator Corporation

Date: September 29, 1998

## 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 Docket No. ER98-4500-000, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated at Washington, D.C. on this 29<sup>th</sup> day of September, 1998.

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Sean A. Atkins

September 29, 1998

David P. Boergers  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: San Diego Gas & Electric Company  
Docket No. ER98-4500-000

Dear Secretary Boergers:

Enclosed for filing is one original and 14 copies of the Motion to Intervene and Comments of the California Independent System Operator Corporation in the above-referenced docket. An additional copy of the filing is also enclosed. Please stamp the additional copy with the date and time filed and return it to the messenger.

Thank you for your assistance in this matter.

Respectfully submitted,

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Kenneth G. Jaffe  
David B. Rubin  
Sean A. Atkins

Attorneys for the California  
Independent System Operator Corporation