

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

Dynergy Oakland, LLC) Docket No. ER12-275-000

**MOTION TO INTERVENE OF THE CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION AND JOINT PROTEST OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR CORPORATION AND PACIFIC GAS
AND ELECTRIC COMPANY**

Pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §§ 385.211 and 385.214 (2011), the California Independent System Operator Corporation (“CAISO”) submits in the captioned proceeding: (1) a Motion to Intervene, and (2) a joint Protest on behalf of itself and Pacific Gas and Electric Company (“PG&E”).

I. Background and Description of the Proceeding

On October 31, 2011, Dynergy Oakland, LLC (“Dynergy Oakland”) submitted, pursuant to Section 205 of the Federal Power Act, revisions to certain Reliability Must-Run (“RMR”) ¹/ Rate Schedules of its RMR Service Agreement with the CAISO and changes to its Annual Fixed Revenue Requirement (“AFRR”).

The Commission issued a Combined Notice of Filings setting November 21, 2011 as the deadline for interventions in this proceeding.

¹/ Because the generation units covered by a RMR agreement must operate at certain times for the reliability of the transmission grid, they are referred to as “reliability must-run” or “RMR” units. Other capitalized terms that are not defined in this filing have the same meaning set forth in the RMR Agreement.

II. Description of the CAISO and Communications

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California with a principal place of business at 250 Outcropping Way, Folsom, CA 95630. The CAISO is the Balancing Authority Area Operator responsible for the reliable operation of a grid consisting of the transmission systems of a number of public utilities including PG&E, as well as the coordination of the day-ahead and real-time energy and ancillary services markets in California.

The CAISO requests that all communications and notices concerning this motion and these proceedings be provided to:

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*Designated to receive service 2/

2/ The CAISO requests waiver of Rule 203(b)(3) to the extent necessary to permit each of the individuals identified above to be placed on the Commission's official service list in this proceeding.

III. Motion to Intervene

As the Balancing Authority Area Operator responsible for maintaining reliability of the PG&E transmission system and, as the counter party to the Dynegy Oakland RMR Agreement, the CAISO has a unique interest in any Commission proceeding that affects this RMR Agreement. The CAISO requests that it be permitted to intervene with full rights of a party. Because no other party can adequately represent the CAISO's interests, the CAISO's intervention is in the public interest and should be granted.

PG&E, which joins the protest in this pleading, will file a motion to intervene separately in this docket.

IV. Joint Protest of the CAISO and PG&E

Through its filing in this docket, Dynegy Oakland seeks to recover certain costs relating to its RMR rate schedules. The CAISO and PG&E protest Dynegy Oakland's filing on the grounds that it has failed to provide adequate support to establish that the proposed rate schedules are just and reasonable. In particular, the CAISO and PG&E protest the filing on the grounds that Dynegy Oakland has failed to provide the information necessary to understand sufficiently all of the cost components of Dynegy Oakland's Schedule F filing, in which Dynegy Oakland provides details about its proposed AFRR calculation. For instance, the joint protestors need additional time and information to understand Dynegy Oakland's claim of \$610,530 in municipal real estate transfer taxes, particularly as this amount is significantly higher than the amounts for Other Taxes claimed in prior years (*cf.* \$5,187 for 2008, \$5,311 for 2009, \$47,079 for 2010, and \$18,888 for 2011). The joint protestors will also seek from Dynegy Oakland

additional information explaining the basis for the substantial increases in Fuel Stocks (Account 151) from \$1,925,558 in its 2010 filing to \$3,057,491 in 2011 and for the calculation of the Maximum Annual Service Hours, Maximum Annual Start-ups, and Maximum Annual MWh shown on Schedule A of the filing.

Because Dynegy Oakland has not met its burden to show that its proposed rates are just and reasonable, the CAISO and PG&E request that the Commission suspend the rate schedules subject to hearing and establish a refund date at the proposed effective date of January 1, 2012.

Discussions are presently underway among the CAISO, PG&E and Dynegy Oakland, and the parties anticipate informal exchanges of information in the near term. The CAISO and PG&E are hopeful these discussions will lead to a mutually agreeable resolution of the issues in this docket. Therefore, the parties to this filing request that the Commission provide all parties with a reasonable opportunity, until January 31, 2012, to resolve this issue before initiating either a hearing or settlement judge procedures.

V. Conclusion

For the foregoing reasons, the CAISO respectfully requests that the Commission grant its Motion to Intervene in the above-captioned proceeding, giving the CAISO full rights of a party. The CAISO and PG&E request the Commission rule that the rate schedules set forth in Dynegy Oakland's filing have not been shown to be just and reasonable, suspend the rate schedules subject to hearing, establish a refund date equal to the proposed effective date, January 1, 2012, and hold in abeyance all hearing or settlement judge procedures until January 31, 2012 to give the parties an opportunity to resolve the outstanding issues.

Respectfully submitted,

/s/ Mary Anne Sullivan

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Counsel for
California Independent System
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Dated: November 18, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have this 18th day of November, 2011 caused to be served a copy of the forgoing Motion to Intervene and Protest upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

/s/ Mustafa P. Ostrander
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