

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System)
Operator Corporation)

Docket ER07-127-000

**THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR'S
ANSWER TO SOUTHERN CALIFORNIA EDISON AND
PETITION TO EXTEND THE TEMPORARY WAIVER OF
FORCED OUTAGE REPORTING FOR SMALL GENERATING UNITS**

The California Independent System Operator (“CAISO”) hereby answers the Motion of Southern California Edison Company to Extend Waiver of Reporting Requirements Pending CAISO Filing, which was filed in this docket on November 30, 2007 (the “Edison Motion”).¹ In addition, the CAISO petitions the Commission for a related waiver.²

Whether it acts in response to the Edison Motion or CAISO’s petition, the Commission should extend the temporary waiver of the requirement that Generating Units³ with a maximum capacity less than 40 MW must submit detailed reports following any disconnection from the grid. The Commission initially waived this requirement until November 30, 2007, in the anticipation that the CAISO would eliminate it.⁴ The CAISO Board has now approved a tariff amendment to do exactly that. But the amendment

¹ See 18 C.F.R. § 385.213 (governing answers).

² See 18 C.F.R. § 385.207 (governing petitions).

³ Capitalized terms that are not otherwise defined have the meaning given to them in Appendix A of the CAISO tariff.

⁴ *California Independent System Operator Corporation*, 119 FERC ¶ 61,345 ¶ 21 (2007) (“July 2 Order”)

becomes effective only with the MRTU tariff. The temporary waiver should be extended until then.

I. BACKGROUND

The CAISO requires generators to submit two different types of outage reports:

- **Availability Reports:** a quick report of any material changes in availability, without additional detail. Specifically, Generators must report within 30 minutes any change in availability of at least 10 MW and 5% of PMax that last for 15 minutes or longer. *See* CAISO Tariff § 9.3.10.2.1.
- **Forced Outage Reports:** a more detailed report about the causes of an outage and corrective measure taken. Generators must provide this information for any change in availability below PMax greater than 40 MW and 10% of PMax that lasts for 15 minutes or longer and any separation from the grid. *See* CAISO Tariff § 9.2.10.5 (first sentence).

In March 2007, the CAISO explained to the Commission that its staff was considering an amendment to eliminate the Forced Outage Reports for Generating units with a maximum capacity less than 40 MW.⁵ The CAISO asked for a temporary waiver of the requirement for these small units in the meantime. In its July 2 Order, the Commission granted the requested waiver through November 30, 2007.

The CAISO's experience since then has demonstrated that requiring small units to complete Forced Outage Reports is not necessary for reliable operation of the grid. Accordingly, to reduce the reporting burden on these small units, CAISO staff in fact proposed a tariff amendment to make the waiver permanent. On December 13, the CAISO Board of Governors approved the amendment. The CAISO plans to file it on December 21.

⁵ *See* Petition to Extend the Waiver of Sanctions Under Section 37.4.1.2 and 37.4.3.2 of the CAISO Tariff, and to Temporarily Waive the Requirement that Small Generating Units File a Second Report for Each Disconnection from the Grid, filed March 30, 2007, in Docket ER07-127-000, at p. 10.

This forthcoming filing will amend the MRTU tariff, which is expected to become effective and replace the current tariff on March 31, 2008. The CAISO does not intend to submit this as an amendment to the currently effective tariff, because the Commission will not necessarily rule until after the tariff is replaced. As a result, there will be a gap of a few months between November 30, when the Commission's initial waiver expired, and the elimination of the requirement when MRTU becomes effective.

In the meantime, on November 30, the Edison Motion asked the Commission to extend the waiver "until such time as the CAISO presents, and the Commission approves, tariff language eliminating this requirement"⁶

II. DISCUSSION

A. Petition for Extension of Waiver

To bridge the gap between the Commission's initial waiver, and the effective date of the tariff amendment, the CAISO asks the Commission to extend its temporary waiver until the effective date of the MRTU Tariff. This will mean that Generating Units with maximum capacity less than 40 MW will not be required to comply with the first sentence of Section 9.3.10.5, which reads:

With Respect to Forced Outages of Generating Units that result in a reduction in maximum output capability of 40MW or more below the value registered in the Master File and 10% of the value registered in the Master File, *or which result in the unit being separated from the ISO Controlled Grid*, the Operator shall provide to the ISO an explanation of the Forced Outage, including a description of the equipment failure or other cause and a description of all remedial actions taken by the Operator, and the estimated return time, within two (2) Business Days from the Discovery of the Forced Outage.

(Emphasis added.)

⁶ Edison Motion at 3.

This waiver should be extended for all of the reasons that supported the Commission's July 2 Order. The extension is necessary so that owners of small units will not be subject to tariff-based sanctions for failure to comply with the requirement that the CAISO has decided to abandon.

The extension of the waiver will not diminish the information available to the CAISO in real time about unit availability, because the smaller generating units will remain subject to Availability Reporting. The only difference will be that, after the operator of such a smaller unit submits an Availability Report promptly (within 30 minutes) after a change in availability of 10 MW and 5% of its maximum, it will not be required to submit a second report two business days later with additional information about the cause of the outage and remedial measures taken. The extension will not interfere with the CAISO's authority to investigate and report suspicious outages of small units.⁷

B. Answer to Edison Motion

The CAISO is generally of the view that only the CAISO should request waivers of its tariff. In these special circumstances, however, the CAISO does not object to the Edison Motion on this ground, because the CAISO is seeking essentially the same relief. The CAISO reserves its right to oppose future waiver requests by third parties.

Turning to the substance of the Edison Motion, the CAISO supports it with one qualification. The waiver should be extended longer than Edison requested, until the

⁷ See generally CAISO Tariff § 37.5.1.1 (providing inaccurate information is a violation subject to penalty); § 37.6.2.1 (requiring Market Participants to provide information requested by the CAISO for an authorized investigation); § 9.3.10.5 (standards for reporting suspicious outages).

effective date of MRTU, and should not expire when the CAISO's amendment is filed.
That will avoid the need for additional filings further extending the waiver.

III. CONCLUSION

For the reasons discussed above, the CAISO requests that the Commission extend its temporary waiver of the requirements in the first sentence of CAISO Tariff Section 9.3.10.5 as they apply to Generating Units with maximum capacity less than 40 MW from December 1, 2007, until the effective date of the MRTU tariff.

December 17, 2007

/s/Daniel J. Shonkwiler
Anthony J. Ivancovich
Daniel J. Shonkwiler
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
(916) 351-4400
(916) 608-7222 (fax)

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the captioned proceeding, 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 Folsom, California this 17th day of December, 2007.

/s/ Susan Montana
Susan Montana