

154 FERC ¶ 61,045
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

January 27, 2016

In Reply Refer To:
California Independent System
Operator Corporation
Docket Nos. ER00-2019-017
ER01-819-009
ER03-608-006

Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004

Attn: Michael E. Ward, Esq.

Dear Mr. Ward:

1. On July 5, 2005, the California Independent System Operator Corporation (CAISO) submitted a filing to comply with the Commission's Opinion No. 478.¹ As discussed below, we accept CAISO's filing.
2. On March 21, 2000, in Docket No. ER00-2019-000, CAISO filed tariff revisions to change its methodology for calculating the transmission Access Charge levied on market participants withdrawing energy from the CAISO-controlled grid.² Specifically, over a 10-year period, CAISO proposed to transition from a methodology that assessed separate High-Voltage Access Charges for the three control areas within the CAISO-

¹ *Cal. Indep. Sys. Operator Corp.*, Opinion No. 478, 109 FERC ¶ 61,301 (2004), *order on reh'g*, 111 FERC ¶ 61,337 (2005).

² CAISO, Tariff Filing, Docket No. ER00-2019-000, at 1 (filed March 21, 2000) (March 21 Filing).

controlled grid to assessing a single system-wide Access Charge.³ On May 31, 2000, the Commission accepted and suspended the March 21 Filing, and established hearing and settlement judge procedures.⁴ Relevant here, the Commission set for hearing CAISO's proposal to establish a procedure to convert an Existing Contract holder's transmission and entitlement rights directly into Firm Transmission Rights, after an Existing Contract holder becomes a new Participating Transmission Owner (New Participating Transmission Owner).⁵

3. Subsequently, on March 11, 2003, in Docket No. ER03-608-000, CAISO filed tariff revisions to change, among other things, the definition of Transmission Revenue Credit.⁶ On May 30, 2003, the Commission accepted and suspended in part, and rejected in part, the March 11 Filing and consolidated the proceeding with the hearing proceeding established in the May 31 Order.⁷

4. On March 11, 2004, the presiding Administrative Law Judge issued an Initial Decision on, among other things, the matters consolidated and set for hearing in the May 31 Order.⁸ In Opinion No. 478, the Commission affirmed the Initial Decision, in most respects,⁹ and directed that CAISO submit tariff revisions to modify (1) its definition of Transmission Revenue Credit,¹⁰ (2) its procedure for dividing certain costs between the High and Low Voltage Transmission Access Charges,¹¹ and (3) aspects of its procedure

³ *Id.* at 10. CAISO stated that over ten years it would blend the individual area high voltage transmission revenue requirements of all Participating Transmission Owners with the portion represented by the single system-wide access charge increasing by ten percent per year.

⁴ *Cal. Indep. Sys. Operator Corp.*, 91 FERC ¶ 61,205 (2000) (May 31 Order), *order on reh'g*, 104 FERC ¶ 61,062 (2003).

⁵ May 31 Order, 91 FERC ¶ 61,205 at P 14.

⁶ CAISO, Tariff Filing, Docket No. ER03-608-000, at 5 (filed March 11, 2003) (March 11 Filing).

⁷ *Cal. Indep. Sys. Operator Corp.*, 103 FERC ¶ 61,260 (2003).

⁸ *Cal. Indep. Sys. Operator Corp.*, 106 FERC ¶ 63,026 (2004) (Initial Decision).

⁹ Opinion No. 478, 109 FERC ¶ 61,301.

¹⁰ *Id.* PP 35-38.

¹¹ *Id.* PP 45-46, 50.

for directly allocating Firm Transmission Rights to New Participating Transmission Owners.¹²

5. In its July 5, 2005 Compliance Filing, CAISO revised its tariff to comply with the Commission's directives.¹³ Notice of CAISO's July 5, 2005 Compliance Filing was published in the *Federal Register*, 70 Fed. Reg. 41,215 (2005), with interventions and protests due on or before July 26, 2005. On July 26, 2005, the Southern California Edison Company (SoCal Edison) and the Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California (Southern Cities) filed protests. On August 10, 2005, CAISO filed an answer to the protests.

6. In its protest, SoCal Edison asserts that CAISO failed to revise the portion of the definition of Transmission Revenue Credit that applies to New Participating Transmission Owners.¹⁴ Also, Southern Cities filed comments arguing that CAISO's procedure for directly allocating Firm Transmission Rights to New Participating Transmission Owners would inappropriately delay the effective date of the rights until after a final Commission order.¹⁵ Accordingly, Southern Cities and SoCal Edison request that the Commission direct CAISO to make the aforementioned tariff revisions.¹⁶

7. We agree with the protesters and recognize CAISO's general agreement.¹⁷ However, due to the passage of time, we decline to direct CAISO to make further revisions as the protests are now moot.¹⁸ Specifically, because the ten-year transition period has ended,¹⁹ the rights associated with the Firm Transmission Rights awarded

¹² *Id.* PP 36-37.

¹³ CAISO July 5, 2005 Compliance Filing (Compliance Filing).

¹⁴ SoCal Edison July 26, 2005 Protest at 2-4 (SoCal Edison Protest).

¹⁵ Southern Cities July 26, 2005 Protest at 2-4 (Southern Cities Protest).

¹⁶ SoCal Edison Protest at 2-4. Southern Cities Protest at 3, 7.

¹⁷ CAISO August 10, 2005 Answer at 2, 5.

¹⁸ If this matter were still ripe, we would have required further compliance.

¹⁹ The transition period started on July 1, 2001, the effective date that the first new Participating Transmission Owner, City of Vernon, was designated as a Participating Transmission Owner in the CAISO-controlled- transmission system. *City of Vernon, Ca.*, 93 FERC ¶ 61,103 (2000).

through the allocation procedure have terminated,²⁰ and the section on New Participating Transmission Owners in the definition of Transmission Revenue Credit has become obsolete.²¹ Accordingly, we dismiss as moot the protests and accept CAISO's compliance filing.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

²⁰ Opinion No. 478, 109 FERC ¶ 61,301 at PP 25, 35 (finding that Firm Transmission Rights awarded to Existing Contract holders terminate at the earlier of the end of the transition period or termination of an existing contract).

²¹ The definition of Transmission Revenue Credit provides that after the ten-year transition period, the provision covering *new* Participating Transmission Owners will be obsolete. Compliance Filing, Appendix A – Master Definitions Supplement, Transmission Revenue Credit (emphasis added).