

the CAISO this extension will allow the CAISO to make a single filing for both compliance requirements that impact the same tariff language, without further impacting the CRR implementation schedule.

I. BACKGROUND

On February 9, 2006, in Docket No. ER06-615-000, the CAISO filed its proposed MRTU Tariff that provided for seasonal and monthly short-term CRRs. On September 21, 2006, the Commission issued the *MRTU Order* that conditionally accepted the short-term CRR tariff provisions, subject to modification. On April 20, 2007, the Commission issued the *MRTU Rehearing Order*, in which it directed further modifications to the proposed short-term CRR tariff provisions.

On January 29, 2007, as amended on February 2, 2007, in Docket Nos. ER07-475-000 and ER07-475-001, the CAISO submitted its proposal to implement long-term CRRs under the MRTU Tariff, in compliance with the Commission's Final Rule.³ On May 7, 2007, in Docket No. ER07-869-000, the CAISO amended its Long Term CRRs proposal as well as several short-term CRR tariff provisions previously conditionally accepted by the Commission. On July 6, 2007, the Commission issued the *CRR July 6 Order* conditionally accepting tariff provisions, subject to modification, and granting in part and denying in part rehearing in response to the January 29, 2007 filing, the May 7, 2007 filing and rehearing and clarification requests to the September 21 Order.

II. MOTION FOR EXTENSION OF TIME

³ Final Rule, FERC Stats. & Regs. ¶ 31,226; Final Rule Rehearing Order, 117 FERC ¶ 61,201 (2006).

In Paragraphs 46, 56, 136, 169, 188, 189, 190, 191, 204, and 211 of the *CRR July 6 Order*, the Commission directed the CAISO to make a compliance filing within ten days of the *CRR July 6 Order*. The directives in Paragraphs 46 and 189 require that the CAISO request additional information from participants to effectuate the source verification consistent with the new directives in these paragraphs. More specifically, Paragraph 46 of the *CRR July 6 Order* requires that the CAISO provide the Out-of-Control Area Load Serving Entities (“OCALSEs”) the opportunity to nominate CRRs sourced at Trading Hubs in the CRR Allocation process. This directive requires that the CAISO collect additional declarations regarding the OCALSE’s eligibility to participate to nominate CRRs at Trading Hubs and allows OCALSE’s the opportunity to change source and sink information previously provided. In Paragraph 189, the Commission requires that the CAISO apply a forward-looking showing for all CRR nominations in conjunction with the provisions in Section 36.9.3 of the tariff. This requirement also requires that CAISO collect from OCALSEs information to demonstrate their eligibility based on the forward-looking showing. As explained in Ms. Deborah Le Vine’s testimony submitted in the May 7, 2007 filing in Docket ER07-869 and then again reiterated in footnote 27 of the CAISO’s Motion for Leave to File Answer and Answer to Motions to Intervene, Comments, and Protests filed on June 14, 2007 in the same docket, while the CAISO does not object to the requirements, any change in procedures for source verification delay the start of the CRR process because of the need to collect and verify new data under any of the changed rules.

Since the receipt of the *CRR July 6 Order* the CAISO has determined that the changes discussed above results in the need to move the start date of the CRR

nomination period from July 20 to August 3, 2007.⁴ This delay will enable affected load serving entities to submit new information as necessary and the CAISO to verify and prepare the relevant data to be used in the allocation based on these submissions.

Since its May 7, 2007, filing the CAISO has continued to work with its stakeholders to formulate a process for tracking load migration and effectuating the transfer of CRRs from Load Serving Entities (“LSEs”) to LSEs gaining load through load migration.⁵ The CAISO will be seeking board approval of its proposal on July 18, 2007 and intends to file any necessary tariff changes on or about July 20, 2007 but no later than August 3, 2007. Certain tariff provisions for which the Commission has asked the CAISO to file tariff changes within ten days of the order are impacted by the upcoming planned CRR filing to be made on or about July 20. In particular, Paragraphs 204 and 211 require consideration of the load migration issues that the CAISO is planning to put before the Commission on or about July 20.

The CAISO believes that given that there is a need to delay the start of the CRR nomination period from July 20 to August 3, 2007, which results in a total of two weeks delay at the start of the CRR process, the delay of the compliance filing from July 16 to July 20 or shortly thereafter does not pose any additional issues for CRR implementation purposes. Moreover, combining the compliance filings will avoid the CAISO having to make within a short period of time two compliance filings that essentially affect the same tariff language.

⁴ See <http://www.caiso.com/1bb4/1bb4745611d10.html>. CAISO also notes that while the impact of the directives up front is to delay the start of the CRR nomination period by only two weeks, the posted revised CRR timeline demonstrates that at this change results in a delay of the end of the CRR auction by four weeks due to the holidays that must be accounted for at the end of 2007.

⁵ See footnote 2.

The CAISO also notes that in its June 7, 2007, report to the Commission regarding the status of the Business Practice Manuals for CRRs and Registration of Candidate CRR Holders, the CAISO had indicated its intent to post on July 9 the BPMs containing all the materials required for CRR go-live on July 20. Because, however, the CRR July 6 Order requires adjustments to some of the material in the BPM for CRRs the CAISO did not repost the revised BPMs on July 9, 2007 and will instead be reposting the revised BPM for CRRs on or about July 23, 2007. In light of the two week delay in the start of the CRR nomination period described above, the CAISO believes that this modest delay should not pose a problem to participants. However, to further ensure that participants have available all of the information they need to participate in the upcoming CRR Allocation process, the CAISO issued on July 10, 2007 a Market Notice, immediately after its review of the CRR July 6 Order, announcing its new business requirements resulting from the CRR July 6 Order. In addition, the CAISO CRR team members continue to make themselves available for consultation should participants have any concerns or questions about their ability and readiness to participate in the upcoming CRR Allocation and Auction.

III. CONCLUSION

For the reasons set forth above, the CAISO respectfully requests that the Commission grant the CAISO an extension of time to file the tariff sheets in compliance with the requirements set forth in Paragraphs 46, 56, 136, 169, 188, 189, 190, 191, 204, and 211 of the *CRR July 6 Order* on or about July 20, 2007, but no later than August 3, 2007.

Respectfully submitted,

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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 13th day of July, 2007 at Folsom in the State of California.

/s/ Anna A. McKenna

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