

year.⁴ The January 22 Order directed the CAISO to make a compliance filing that “maintains the symmetry between the submission of load resources adequacy plan and supply resource adequacy plans.”⁵ The CAISO’s February 21 compliance filing modified Section 40.2.1 to comport with the September 30 date included in Section 40.6 to achieve the symmetry required by the Commission. The comments of AReM and the limited protest of the Six Cities address this CAISO decision.

1. The Six Cities’ Limited Protest Should Be Denied

The Six Cities protest the shortening of the deadline for non-CPUC Load Serving Entities to submit Resource Adequacy Plans as inconsistent with the intent of the Commission’s January 22 Order. The CAISO, however, viewed the Commission as directing the CAISO to ensure identical filing deadlines by selecting the most appropriate date between the two choices. With this understanding, the CAISO chose to conform both filing dates to September 30 based on the value of that date in permitting greater coordination between procurement of local capacity by Load Serving Entities (“LSEs”) and procurement of Reliability Must-Run (“RMR”) capacity by the CAISO. In other words, given the directive to make a choice, the CAISO elected to leave intact the more critical September 30 date associated with the submission of Supply Plans.

During the proceedings leading to adoption of local capacity obligations by the California Public Utilities Commission (“CPUC”) in Decision 06-06-064 (June 30, 2006), it became apparent that procurement by LSEs could supplant the acquisition of capacity by the CAISO through RMR contracts only if the CAISO was advised of LSEs’ local

⁴ January 22 Order at P 70. Also, capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff or Section 40 of the ISO Tariff.

⁵ *Id.*

capacity procurement prior to the deadline for issuing RMR contractual renewal notices.⁶ The RMR renewal deadline is October 1 of each year. Accordingly, CPUC Load Serving Entities were directed by the CPUC - not the ISO Tariff - to submit preliminary local capacity showings on September 22 of each year, with full year-ahead showings pushed out to October 31.⁷

At the time the June 12 compliance filing was made, the CPUC's draft decision on local capacity obligations set forth a deadline of October 25 for submitting Resource Adequacy Plans covering both local and year-ahead procurement. The CAISO continued to want earlier Supply Plans and therefore maintained the September 30 deadline, but modified the submission of Resource Adequacy Plans to reflect uniformity between CPUC and non-CPUC Load Serving Entities. However, when confronted with the need to make a choice as to what date to preserve following the January 22 Order, the CAISO elected to move the date for submitting the Resource Adequacy Plan. It did so not because the Resource Adequacy Plans were needed earlier from non-CPUC Load Serving Entities, but to prevent losing the opportunity to obtain information regarding the Resource Adequacy Resources included in non-CPUC Load Serving Entities portfolios prior to October 1. The CAISO believes having this information, even if only a day before issuance of the renewal notices, will allow for more informed determinations on whether or not specific RMR contracts remain needed.

⁶ See, "Opinion on Local Resource Adequacy Requirements," CPUC Decision 06-06-064 at pp. 45-53.

⁷ *Id.* at p. 53. The October 25 date was selected based on the CPUC's "draft decision" which included filing of both the local and year-ahead procurement information on October 25. It was based on comments on the draft decision filed after June 12, 2006 that the CPUC modified the final decision.

2. AReM's Concern Is Already Addressed by the Tariff

AReM's comments raise the concern that the CAISO's "proposed date certain of September 30 is likely to create conflict for CPUC-reporting LSEs who could be faced with two filing dates, one for the CAISO and one for the CPUC." This concern ignores that Section 40.2.1 expressly provides: "The annual Resource Adequacy Plan provided to the ISO by Scheduling Coordinators for the [sic] *CPUC Load Serving Entity or Entities* for whom they schedule Demand within the ISO Control Area shall be submitted on the schedule and in the form approved by the CPUC." The September 30 date does not apply to any CPUC Load Serving Entity, including AReM members. Thus, there is no possible conflict between the ISO Tariff and CPUC requirements with respect to submission of Resource Adequacy Plans.

Respectfully Submitted,

/s/Grant Rosenblum

Anthony Ivancovich
Grant Rosenblum
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Telephone: (916) 608-7138
Facsimile: (916) 608-7296
E-Mail: GRosenblum@caiso.com

Attorneys for
CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION

Dated: March 28, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be served a copy of the forgoing document upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

Dated this 28th day of March, 2007 at Folsom in the State of California.

/s/ Susan L. Montana

Susan L. Montana

smontana@caiso.com