

adequately by any other party, the CAISO requests that the Commission permit it to intervene in this proceeding.

The CAISO requests that communications and notices concerning this motion and these proceedings be provided to:¹

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II. BACKGROUND AND DESCRIPTION OF PROCEEDING

The CAISO is responsible for the reliability of the CAISO controlled grid. One tool that the CAISO has to ensure reliability is reliability must-run agreements (“RMR Agreements”), the current *pro forma* version of which was approved by the Commission last year.²

On April 30, 2020, Site Authority submitted, pursuant to Section 205 of the Federal Power Act,³ an executed RMR Agreement for the Channel Islands generating station, a 27.5 MW gas-fired combined cycle combustion turbine generating facility located at the CSU Channel Islands campus in Camarillo, California (“Channel

¹ These individuals are designated to receive service pursuant to Rule 203(b)(3) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3).

² See *California Independent System Operator Corp.*, 168 FERC ¶61,199 (2019) (order accepting tariff revisions).

³ 16 U.S.C. § 824d.

Islands Power”). The filing was necessary because the CAISO Board of Governors authorized CAISO management to designate Channel Islands Power as an RMR Unit for contract year 2020 on March 26, 2020.⁴ In reaching that decision, the CAISO followed its procedures outlined within its Tariff which involved conducting studies to confirm whether the absence of Channel Islands Power would create unacceptable reliability impacts. The CAISO found that Channel Islands Power is required to meet the 2020 local capacity requirement in the Santa Clara sub-area of the Big Creek/Ventura local reliability area, and that currently there is no approved alternative to mitigate the need for this resource.⁵

Following receipt and review of Site Authority’s cost information and review of applicable Commission precedent, the Site Authority and the CAISO entered into the terms of the Agreement, which Channel Islands filed on April 30, 2020, with a request that it be made effective May 1, 2020.

III. COMMENTS

The CAISO supports Channel Islands’ filing and requests that the Commission accept the Agreement for filing, without modification, and allow it to become effective on May 1, 2020, so that reliability services can be made available to the CAISO without interruption. The CASIO has determined that the rates, terms and conditions contained in the Agreement fall within a range of reasonableness and should be approved. To assist the CAISO in its cost review, the CAISO engaged an

⁴ See Attachment E to Site Authority’s April 30 filing in this docket (minutes to CASIO Board of Governors meeting, March 25-26, 2020).

⁵ *Id.*

independent expert to evaluate the Site Authority's proposed costs and supporting documentation.

As noted above, the CAISO has determined that the continued operation of Channel Islands Power is required to meet reliability requirements in the local area where the unit is located and that there are no available alternatives for meeting these requirements. In light of these conclusions, the rates and terms contained in the Agreement ensure that Channel Islands Power will be available and will be compensated at a reasonable, cost-based rate utilizing the *pro forma* RMR rate template, with limited modifications described in the Site Authority's filing.

To the extent that Site Authority has proposed departures from the rate formula contained in the *pro forma* RMR Agreement, the CAISO believes that those departures are reasonable and result in a rate that falls within a range of reasonable rate outcomes. They also reflect the unique circumstances of the Channel Islands Power facility. The plant is a former qualifying facility under the Public Utility Regulatory Policies Act of 1978 ("PURPA"), and it is owned by an agency of the state of California and is thus not a public utility subject to the jurisdiction of the Commission under the Federal Power Act and has never been rate-based. Further, the facility provided uncompensated local reliability benefits as a Qualifying Facility operating pursuant to its PURPA power purchase agreement.

Site Authority is not a FERC-jurisdictional public utility, but as noted by Site Authority in footnote 3 to its filing, the CAISO has filed RMR Agreements with non-jurisdictional service providers and the Commission has accepted those agreements

for filing.⁶ In this case, given that Site Authority has filed the agreement and requested Commission action on the filing, the CAISO requests that the Commission accept the filing under Section 205.

IV. CONCLUSION

For the foregoing reasons, the CAISO requests that the Commission accept this motion and grant the CAISO party status, and accept the Agreement for filing, effective May 1, 2020.

Respectfully submitted,

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Dated: May 20, 2020

⁶ See *California Independent System Operator Corp.*, 91 FERC 61,267 (2000).

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of May, 2020 caused to be served a copy of the forgoing Motion to Intervene and Comments upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

/s/John Lilyestrom
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