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October 24, 2002

The Honorable Magalie Roman Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

FILED  
OFFICE OF THE SECRETARY  
02 OCT 24 PM 1:30  
FEDERAL ENERGY  
REGULATORY COMMISSION

**Re: *Remedying Undue Discrimination Through Open Access  
Transmission Service And Standard Electricity Market Design***  
**Docket No. RM01-12-000**

Dear Secretary Salas:

Enclosed please find an original and 14 copies of the Motion of the California Independent System Operator Corporation for Extension of Time to file Comments in the above-captioned docket. Two additional copies of this filing are enclosed to be stamped with the date and time of filing and returned to our messenger. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,



Julia Moore

Counsel for the California Independent  
System Operator Corporation

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Remedying Undue Discrimination	)	
Through Open Access Transmission	)	Docket No. RM01-12-000
Service And Standard Electricity Market	)	
Design	)	

**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM  
OPERATOR CORPORATION FOR EXTENSION OF TIME  
TO FILE COMMENTS**

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.212, the California Independent System Operator Corporation ("CAISO") requests leave to file all of its comments on the Commission's Standard Market Design Notice of Proposed Rulemaking ("SMD NOPR")<sup>1</sup> on January 10, 2003.

**I. Background**

On July 31, 2002, the Commission issued the SMD NOPR. The NOPR contained a wide range of provisions designed to promote non-discriminatory, standardized transmission service and standardized wholesale electric market design. The initial deadline provided for comments on the NOPR was 75 days from the date of issuance of the NOPR, or October 14, 2002.

On September 10, 2002, the Commission issued a "Notice Revising Public Comment Schedule And Announcing Technical Conferences" in the captioned docket.

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<sup>1</sup> *Remedying Undue Discrimination through Open Access Transmission Service and Standard Electricity Market Design*, Notice of Proposed Rulemaking, 67 *Fed. Reg.* 55451 (Aug. 29 2002), FERC Stats. and Regs. (2002), Docket No. RM01-12-000.

In this Notice, the Commission announced that the deadline for providing comments to the NOPR was extended to November 15, 2002. The Commission also stated that interested persons were permitted to submit reply comments on December 20, 2002. September 10 Notice at ¶ 2.

In a "Notice of Conferences and Revisions to Public Comment Schedule" issued on October 2, 2002, the Commission revised the schedule for the filing of comments. Specifically, the Commission separated out the following issues for comments to be filed by January 10, 2003:

- Market Design for the Western Interconnection
- Transmission Planning and Pricing, including Participant Funding
- Regional State Advisory Committees and State Participation
- Resource Adequacy
- Congestion Revenue Rights and Transition Issues.

In addition, the Commission stated that comments on other topics addressed in the NOPR would be due on November 15, 2002. October 2 Notice at ¶ 6. In addition, the Commission stated that all reply comments would be due on February 17, 2003. *Id.* at ¶ 7.

## **II. Argument**

The CAISO seeks an extension until Jan 10, 2003 to file all of its comments on the SMD NOPR for two reasons. First, in light of the fact that the Commission's October 2 Notice in this docket separated out the issue of "Market Design in the Western Interconnection" for comments to be filed by January 10, 2003, the propriety of the ISO submitting separate comments on certain discrete issues from the main body of

comments is questionable. While one could rationalize that it is appropriate to file stand-alone comments on certain issues, such as jurisdiction over bundled retail transactions or mitigation measures, inevitably almost all issues are in some way related to, or impact, market design. The CAISO views the SMD NOPR as a means to ensure a comprehensive, *integrated* approach to market design; the parsing of comments on such an integrated package could potentially result in a patchwork design that would be at odds with the Commission's goal of creating seamless electricity markets.

More importantly, the requirement to submit comments on certain SMD-related issues by November 15<sup>th</sup> would unnecessarily abbreviate ongoing discussions regarding the interrelationship among all issues that are likely to impact the outcome of the SMD rulemaking. Such discussions are currently taking place in multiple forums, including Commission-sponsored technical conferences in the ISO's comprehensive market design ("MD02") proceeding in Docket Nos. ER02-1656, *et al.*, and between the three proposed Western RTOs (RTO West, WestConnect and the CAISO) in the Seams Steering Group – Western Interconnection (SSG-WI). These discussions are addressing important issues such as market design, locational marginal pricing, congestion revenue rights, resource adequacy, seams matters and west-wide market monitoring. These discussions - which are ongoing - will help shape the SMD comments that the CAISO will file. If the CAISO is permitted to file all of its SMD comments on January 10, 2003, the CAISO will have the full benefit of these discussions prior to filing its SMD comments both to "inform" the CAISO's comments and because the ISO does not want to submit comments that might be inconsistent with

the outcomes of the aforementioned discussions. Under a November 15<sup>th</sup> filing deadline, it would be difficult for the CAISO to continue to engage in these discussions and file comments on the issues without compromising the CAISO's ability to engage fully in the West's consensus-building effort on many of these same issues.

Finally, as the Commission is aware, the CAISO is currently engaged in two parallel efforts regarding its Market Design 2002 or "MD02" proposal. First, pursuant to the Commission's July 17, 2002, order regarding MD02,<sup>2</sup> the CAISO is engaged in extensive stakeholder discussions regarding market design issues – many of which of course are directly related to issues raised and questions posed in the SMD NOPR. This process is likely to run through the balance of this year. In addition, the CAISO also is attempting to press ahead with implementing certain of the design features already approved by the Commission, as well as developing a plan and framework for implementing the balance of the MD02 proposal once the outstanding design issues are resolved. Unfortunately, the significant CAISO staff resources dedicated to these efforts are the same resources that are responsible for and are involved in preparing comments on the SMD NOPR, thereby further complicating the CAISO's efforts to comply with a November 15, 2002, SMD comment deadline for certain topics.

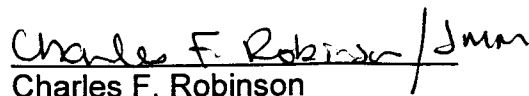
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<sup>2</sup> *California Independent System Operator Corp., et al.*, 100 FERC ¶ 61,060 (2002).

**III. Conclusion**

For these reasons, the CAISO requests that the Commission grant its request to file all of its comments on the SMD NOPR on January 10, 2003.

Respectfully submitted,



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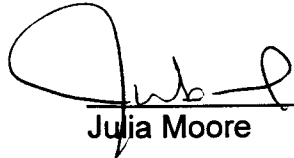
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Dated: October 24, 2002

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned docket.

Dated at Washington, DC, on this 24<sup>th</sup> day of October, 2002.

  
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Julia Moore