

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

Reliant Energy Coolwarter LLC)	Docket Nos. ER99-2082-002
Reliant Energy Ellwood, LLC)	ER99-2081-002,
Reliant Energy Etwanda, LLC)	ER99-2083-001
Reliant Energy Mandalay, LLC)	ER99-2080-002
Reliant Energy Ormond Beach, LLC)	ER99-2079-002
Reliant Energy Services, Inc.)	ER99-1801-005

**MOTION TO INTERVENE AND PROTEST OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.214, and the Commission’s June 27, 2001, Notice of Extension of Time, the California Independent System Operator Corporation (“ISO”) hereby moves to intervene in the above-captioned proceeding and protests. In support thereof, the ISO states as follows:

I. COMMUNICATIONS

Please address communications concerning this filing to the following persons:

Roger E. Smith,
Senior Regulatory Counsel
The California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 351-2207
Fax: (916) 351-4436

J. Phillip Jordan
Michael E. Ward
Julia Moore
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 3000
Washington, DC 20007
Tel: (202) 424-7500
Fax: (202) 424-7643

II. BACKGROUND

On June 15, 2001, Reliant Energy Coolwater, LLC, Reliant Energy Ellwood, LLC, Reliant Energy Etiwanda, LLC, Reliant Energy Mandalay, LLC, Reliant Energy Ormond Beach, LLC, and Reliant Energy Services, Inc. (together, "Reliant"), filed an updated market power analysis. The purpose of the filing is for Reliant to comply with the Commission's requirement, imposed when Reliant's market-based rates were authorized, that Reliant update its market power analysis every three years.

III. BASIS FOR MOTION TO INTERVENE

The ISO is a non-profit public benefit corporation organized under the laws of the State of California and responsible for the reliable operation of a grid comprising the transmission systems of Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company, as well as for the coordination of the competitive electricity market in California. To support reliable operation of the grid, the ISO is also responsible for procurement of Ancillary Services, to the extent that they are not self-provided, and Imbalance Energy, at least cost. The ISO currently operates the principal markets for Ancillary Services and Imbalance Energy in California.

In this docket, Reliant seeks to justify its continued market-based rate authorization for sales in California of Energy and Ancillary Services. The ISO has a direct and substantial interest in this proceeding because Energy and Ancillary Services Reliant sells in the markets the ISO operates directly affects the ISO's ability to maintain the reliability of the ISO Control Area in accordance with Western Systems Coordinating Council and North American Electric Reliability Council standards. For these reasons, the ISO's participation is in the public interest. Moreover, the ISO's interests cannot be

adequately represented by any other party. Accordingly, the ISO respectfully requests that it be permitted to intervene herein with full rights of a party.

IV. PROTEST

On June 7, 2001, the ISO filed an Emergency Motion For Termination of Market-Based Rate Authority in what it believed were the appropriate Reliant dockets¹ (June 7 Filings) to request that Reliant's market-based rate authority be removed, unless the Commission imposed a mitigation plan that fully protected against the exercise of market power as a condition of the continuation of that authority. The arguments raised by the ISO in the June 7 Filings are still valid, and the ISO incorporates them by reference herein.

The ISO recognizes that the Commission has expanded its market mitigation measures as part of the June 19, 2001 Order in Docket Nos. EL00-95, *et al.*² The ISO identified its concerns and comments regarding the adequacy of the market mitigation measures in its July 19, 2001 Motion for Clarification and Request for Rehearing of the June 19 Order.

¹ Indeed, Reliant filed its updated market study in these same dockets. The dockets were ER98-931, ER98-928, ER98-930, ER98-927, and ER98-2878.

² *San Diego Gas & Electric Co. v. Sellers of Energy and Ancillary Services Into Markets Operated by the California Independent System Operator and the California Power Exchange, et al.*, 95 FERC ¶ 61,418 (2001) ("June 19 Order").

V. CONCLUSION

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission permit it to intervene, that it be accorded full party status in this proceeding, and that the Commission consider the issues raised in the ISO's protest.

Respectfully submitted,

Charles F. Robinson
General Counsel
Roger E. Smith
Senior Regulatory Counsel
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

J. Phillip Jordan
Michael E. Ward
Julia Moore
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W.
Suite 300
Washington, DC 20007

Attorneys for the California Independent
System Operator Corporation

Date: July 30, 2001

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 this proceeding.

Dated at Washington, DC, on this 30th day of July, 2001.

Julia Moore
(202) 295-8357

July 30, 2001

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: *Reliant Energy Coolwater, LLC, et al.*
Docket Nos. ER99-2082-002, et al.

Dear Secretary Boergers:

Enclosed for filing are one original and 14 copies of the Motion to Intervene and Protest of the California Independent System Operator Corporation in the above-referenced proceeding. Two additional copies of the filing are also enclosed. Please stamp the two additional copies with the date and time filed and return them to the messenger.

Thank you for your assistance in this matter.

Respectfully submitted,

Julia Moore
(202) 295-8357

Attorney for the California
Independent System Operator Corporation