

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

California Independent System)	Docket Nos. ER02-1656-017
Operator Corporation)	ER02-1656-018
)	ER02-1656-019

MOTION FOR EXTENSION OF TIME

Pursuant to Rules 212 and 2008 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.212 and § 385.2008 (2004), the California Independent System Operator Corporation ("CAISO") hereby moves for an extension of the deadline for the submittal of additional information regarding the simplified hour-ahead market, as required in the Commission's Order on Rehearing of the California ISO's Market Redesign, issued on September 20, 2004, 108 FERC ¶ 61,254 (2004) (the "September 20 Order"). The September 20 Order required the CAISO to submit additional information within 30 days of the Order, or by October 20, 2004. The CAISO seeks an extension of this deadline, until November 30, 2004 to provide the requested information. As explained below, good cause supports the motion because additional time is necessary to compile the extensive information requested by the Commission and consider possible modifications to the CAISO's simplified Hour-Ahead market proposal to address the concerns identified in the September 20 Order.

I. Background

In its June 17, 2004 Order on Further Development of the California ISO's Market Redesign and Establishing Hearing Procedures, 107 FERC ¶ 61,274 (2004), the Commission accepted the CAISO's proposal for a simplified hour-ahead market.

However, in the September 20 Order, the Commission found that additional information was necessary to allow the Commission to make a decision on the proper hour-ahead market functionality and structure. 108 FERC ¶ 61,254 at P 43. Accordingly, the Commission directed the CAISO to provide a comparison of the costs and benefits of a simplified hour-ahead market, and the costs and benefits of a financially binding hour-ahead market. As part of this comparison, the Commission directed the CAISO to

quantify the additional software, settlements and other costs, e.g., uplift (separately identified to the extent possible) associated with waiting to implement the financially binding hour-ahead market, and other revisions to existing software and settlements as a result of adding the hour-ahead market later, and identify any potential impacts (negative or positive) to not moving forward with a financially binding hour-ahead market at initiation of the redesign. Additionally, we direct the CAISO to inform the Commission whether and how soon the CAISO would close a financially binding hour-ahead market closer to real-time.

Id. at P 46. The Commission directed the CAISO to file this information with the Commission within 30 days of the date of the Order, *i.e.*, by October 20, 2004. *Id.*

II. Motion for Extension of Time

The CAISO requests that the Commission extend the deadline for submitting the requested information regarding the Simplified Hour Ahead Market to November 30, 2004. This extension is necessary to allow the CAISO to adequately comply with the Commission's directives and give thorough and reasoned consideration to the concerns identified in the order regarding the simplified Hour-Ahead market.

The simplified Hour-Ahead market is an extremely important element of the CAISO's market redesign. As such, it is important that the simplified Hour-Ahead market be "done right." Properly designing the simplified Hour-Ahead market and compiling the

information necessary to support the proposal takes additional time. In particular, the CAISO needs this additional time to compile and present information to better enable the Commission to make its decision concerning the reasonableness of the CAISO's simplified Hour-Ahead market proposal. Further, the CAISO is considering certain modifications to its simplified Hour-Ahead market proposal to address concerns identified in the September 20 Order. The CAISO's intent is to make a filing by the end of November that would include (1) any modifications to the simplified Hour-Ahead market proposal to address issues identified in the September 20 Order, and (2) the information requested by the Commission in its order. While the CAISO appreciates the Commission's desire to reach a determination on this important design element at the earliest possible date, and recognizing that the CAISO needs prompt resolution of this matter so as not to jeopardize the MRTU implementation schedule, the requested extension is necessary to enable the CAISO to submit a revised proposal that addresses the concerns that have been identified and ensure that the a determination by the Commission has the best possible foundation. Because the simplified Hour-Ahead market proposal has a direct and significant impact on the MRTU project schedule and budget, the CAISO will be seeking expeditious Commission approval of its revised proposal that will be filed by November 30, 2004

IV. CONCLUSION

For the reasons discussed above, the CAISO respectfully asks that the Commission grant an extension of time to November 30, 2004 for the CAISO to submit the information requested in Paragraph 46 of the September 20 Order.

Respectfully submitted,

/s/ David B. Rubin

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Dated: October 20, 2004

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the service list compiled by the Secretary in this proceeding.

Dated at Folsom, CA this 20th day of October, 2004.

/s/ Anthony J. Ivancovich

Anthony J. Ivancovich



October 20, 2004

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

**Re: California Independent System Operator Corporation
Docket Nos. ER02-1656-017, ER02-1656-018
and ER02-1656-019**

Dear Secretary Salas:

Enclosed please find an electronic filing of the Motion for Extension of Time of the California Independent System Operator Corporation. Thank you for your attention to this filing.

Respectfully submitted,

/s/ Anthony J. Ivancovich
Anthony J. Ivancovich

Counsel for the California Independent
System Operator Corporation