

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

Pacific Gas and Electric  
Company

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Docket ER15-223-000

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

The California Independent System Operator Corporation (“CAISO”) respectfully files this motion to intervene and comments in the above-referenced proceeding.<sup>1</sup> In this docket, PG&E seeks the termination of the Comprehensive Agreement between PG&E and the California Department of Water Resources (“CDWR”). The Commission previously ruled that PG&E has no obligation to maintain CDWR’s participation in Remedial Action Schemes (“RAS”), which terminates with the Comprehensive Agreement.<sup>2</sup> Accordingly, the Comprehensive Agreement should terminate in accordance with its terms as PG&E requests.

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<sup>1</sup> The CAISO makes this filing pursuant to Rules 212 and 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.214. The CAISO requests that the Commission grant its motion to intervene because the CAISO is a party to generator interconnection agreements that will replace the generator interconnection services provided to CDWR under the Comprehensive Agreement. As such, the CAISO has a direct and substantial interest in this proceeding, and requests that it be permitted to intervene. Because no other party can adequately represent the CAISO’s interests in this proceeding, the CAISO’s intervention is in the public interest and should be granted.

<sup>2</sup> *Transmission Agency of Northern California v. Pacific Gas and Elec. Co.*, 148 FERC ¶ 61,150, at P 63 (2014), *pending request for reh’g* (“*TANC v. PG&E*”).

## I. INTRODUCTION

On October 29, 2014, PG&E filed a notice of termination of the Comprehensive Agreement, request for approval of ten new agreements to provide for the continued coordination of PG&E's and CDWR's system in place of the Comprehensive Agreement, along with notice of the continuation of two existing agreements that had been included as attachments to the Comprehensive Agreement. The CAISO is a party to two large generator interconnection agreements and filed certificates of concurrence with respect to those agreements,<sup>3</sup> and does not have further comment with respect to any replacement arrangement.

Under the Comprehensive Agreement PG&E provides CDWR with, among other things, firm physical transmission service and interconnection of generating and transmission resources. Once PG&E transferred operational control of its transmission system to the CAISO in the late 1990's, the industry understood that Commission policy directed that the Comprehensive Agreement, as with other ETCs, would terminate under its own terms, and CDWR would then transition to full participation in the competitive markets.

As the Comprehensive Agreement's termination date is December 31, 2014, PG&E, CDWR, and the CAISO began negotiating the necessary

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<sup>3</sup> See *California Independent System Operator Corp.*, Certificates of Concurrence Relating to LGIAs Submitted in Docket No. ER15-227-000, Docket No. ER15-322-000 (Nov. 4, 2014).

replacement agreements well over a year ago. Due to the complexity of documenting the procedures necessary to coordinate the systems, it took months of discussions in order to draft appropriate replacement provisions. The discussions successfully resulted in ten replacement agreements, including the large generator agreements to which the CAISO is a party

Because all of CDWR's facilities have been interconnected to PG&E's system for years under the Comprehensive Agreement, PG&E, the CAISO, and CDWR did not conduct new studies.<sup>4</sup> Unlike CAISO Generator Interconnection Process or Transmission Planning Process where the CAISO performs studies of new interconnections and evaluates the impact of new interconnections, no studies were needed to assess how CDWR's interconnection would impact the grid: CDWR was already connected to PG&E's system.

## **II. COMMENTS**

The CAISO respectfully request that the Commission accept PG&E's notice of termination of the Comprehensive Agreement effective December 31, 2014. All necessary agreements to provide continued Commission jurisdictional services to CDWR have been filed by PG&E and the CAISO has filed certificates

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<sup>4</sup> Before negotiations commenced in earnest, both PG&E and the CAISO had conducted studies to assess the impacts to CAISO grid reliability from the termination of CDWR's participation in RAS, which would end with the termination of the Comprehensive Agreement. The CAISO and PG&E concluded that there would no impacts to reliability. As a result, other than limited participation to satisfy underfrequency load shedding requirements (see PG&E Transmittal letter, FERC Docket No. ER15-227-000, at 4), as explained further in *TANC v. PG&E*, PG&E and CDWR did not agree to continue CDWR's participation in RAS.

of concurrence to those that it is also a party. There is no good cause for an extension to the Comprehensive Agreement. There are no significant disputes regarding the termination of the Comprehensive Agreement or the approval of the replacement agreements that have not already been resolved in *TANC v. PG&E*. In addition, the termination of the Comprehensive Agreement is consistent with Commission policy.

As an existing transmission contract that pre-dates the CAISO operations date, the Comprehensive Agreement constitutes an encumbrance on PG&E's transmission system that PG&E has turned over to CAISO control.<sup>5</sup> PG&E cannot extend the Comprehensive Agreement without CAISO's prior consent.<sup>6</sup> Moreover, the Commission's policy is to allow existing transmission contracts to terminate and transition transmission arrangements to competitive electricity markets.<sup>7</sup> As noted in its decision ruling on TANC's Complaint involving the Comprehensive Agreement, the Commission has already indicated that "it is now appropriate for the Comprehensive Agreement to terminate pursuant to its

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<sup>5</sup> See *California Independent System Operator Corp.*, FERC Electric Tariff No. 7, Transmission Control Agreement, appendix B, section 4.4.3; see also section 16.1 *et seq.* of the CAISO tariff.

<sup>6</sup> *Id.*

<sup>7</sup> See, e.g., *Pacific Gas & Electric Co.*, 81 FERC ¶ 61,470-471 (1997).

express terms.”<sup>8</sup> The replacement agreements are solely needed to *replace* the existing arrangement, the Comprehensive Agreement.

### **III. Description of the CAISO and Communications**

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California with its principal place of business at 250 Outcropping Way, Folsom, CA 95630. The CAISO is the balancing authority responsible for the reliable operation of the electric grid comprising the transmission systems of a number of utilities and administers the generator interconnection procedures applicable to those facilities. The CAISO requests that communications and notices concerning this motion and these proceedings be provided to:

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### **IV. Conclusion**

The CAISO requests that the Commission grant the CAISO’s motion to intervene, accept these comments, and accept PG&E’s request for termination of the Comprehensive Agreement effective December 31, 2014.

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<sup>8</sup> *Transmission Agency of Northern California v. Pacific Gas and Elec. Co.*, 148 FERC ¶ 61,150, at P 63 (2014) (“*TANC v. PG&E*”).

Respectfully submitted,

**By: /s/ John C. Anders**

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Dated: November 19, 2014

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 19<sup>th</sup> day of November 2014.

*/s/ Sarah Garcia*

Sarah Garcia