

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

Mirant Potrero, LLC) Docket No. ER10-179-000

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

Pursuant to Rules 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §§ 385.212 and 385.214 (2009), the California Independent System Operator Corporation (“ISO”) submits a Motion to Intervene and comments relating to the section 205 filing of Mirant Potrero LLC (“Mirant Potrero”) in the captioned proceeding.

I. Background and Description of the Proceeding

On October 30, 2009, Mirant Potrero submitted, pursuant to Section 205 of the Federal Power Act, revisions to certain Reliability Must-Run (“RMR”) 1/ Rate Schedules of its RMR Service Agreement with the ISO. The Commission issued a Combined Notice of Filings setting November 20, 2009 as the deadline for interventions in this proceeding.

II. Description of the ISO and Communications

The ISO is a non-profit public benefit corporation organized under the laws of the State of California with a principal place of business at 151 Blue Ravine Road, Folsom, CA 95630. The ISO is the Balancing Authority Area Operator responsible for the

1/ Because the generation units covered by a RMR agreement must operate at certain times for the reliability of the transmission grid, they are referred to as “reliability must-run” or “RMR” units. Other capitalized terms that are not defined in this filing have the same meaning set forth in the RMR Agreement.

reliable operation of a grid comprising of the transmission systems of a number of public utilities including Pacific Gas & Electric Company (“PG&E”), as well as the coordination of the day-ahead and real-time energy and ancillary services markets in California.

The ISO requests that all communications and notices concerning this motion and these proceedings be provided to:

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III. Motion to Intervene

As the Balancing Authority Area Operator responsible for maintaining reliability of the PG&E transmission system and as the counter party to the Mirant Potrero RMR Agreement, the ISO has a unique interest in any Commission proceeding that affects this

2/ The ISO requests waiver of Rule 203(b)(3) to the extent necessary to permit each of the individuals identified above to be placed on the Commission’s official service list in this proceeding.

RMR Agreement. The ISO requests that it be permitted to intervene with full rights of a party. Because no other party can adequately represent the ISO's interests, the ISO's intervention is in the public interest and should be granted.

IV. Comments

The ISO has extended the term of its RMR Agreement with Mirant Potrero for an additional year in accordance with Section 2.1(b) of the RMR Agreement following the ISO's determination that the Potrero units continue to be needed for local reliability into the 2010 RMR contract year. The ISO expects that sometime during 2010, upon completion and commencement of reliable operation of the Trans Bay Cable, Unit 3 at the Mirant Potrero facility will no longer be needed for local reliability and can cease operations. (The ISO is assessing the need for the remaining Potrero units for local reliability, and it will release them from RMR status as soon as possible.) The ISO and Mirant Potrero are currently negotiating the terms and conditions for the early release of the Unit 3.

Mirant Potrero's annual section 205 filing under the RMR Agreement is a limited 205 filing as authorized and permitted under the RMR Agreement. The ISO has no protest issues with respect to this filing. Moreover, while the ISO would not have opposed Mirant's efforts to propose an amendment of the RMR Agreement to allow for early release of Unit 3, the ISO agrees that the terms and conditions have not yet been agreed upon and that such an amendment would be beyond the scope of the limited annual RMR filing.

The ISO is in discussions with Mirant Potrero regarding end of service life costs and preparations for mid-year shut down of Unit 3. The ISO anticipates that these

discussions will produce a prompt and mutually agreeable resolution of the terms and conditions associated with the mid-year shut down of Unit 3 and that Mirant Potrero will file a revised RMR rate schedule with the Commission in the relatively near future.

V. Conclusion

For the foregoing reasons, the ISO respectfully request that the Commission grant its Motion to Intervene in the above-captioned proceeding, giving the ISO full rights as a party, and accept the comments contained herein.

Respectfully submitted,

/s/ Mary Anne Sullivan

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Counsel for
California Independent System
Operator Corporation

Dated: November 20, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of November, 2009 caused to be served a copy of the forgoing Motion to Intervene and Protest upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

/s/ Samuel T. Walsh
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