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June 20, 2003

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

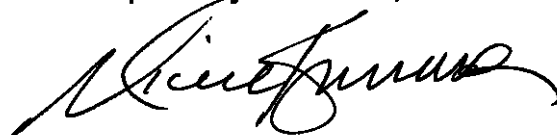
Re: **San Diego Gas & Electric Company, et al.**
Docket Nos. EL00-95-000, et al.

Dear Secretary Salas:

Enclosed for filing are one original and fourteen copies of the Answer of the California Independent System Operator Corporation in Opposition to CARE's Request for Investigation to Resolve Discrepancy, submitted in the above-captioned proceeding.

Also enclosed are two extra copies of the answer to be time/date stamped and returned to us by the messenger. Thank you for your assistance. Please contact the undersigned if you have any questions regarding this filing.

Respectfully submitted,



Michael Kunselman

Counsel for the California
Independent System Operator
Corporation

Enclosure

REGULATORY COMMISSION
03 JUN 20 PM 2:31
OFFICE OF THE SECRETARY

ORIGINAL
UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

FILED
03 JUN 20 PM 2:31
REGULATORY DIVISION

San Diego Gas & Electric Company,
Complainant,

Docket Nos. EL00-95-000
EL00-95-045
EL00-95-069

v.

Sellers of Energy and Ancillary Services Into
Markets Operated by the California
Independent System Operator Corporation
and the California Power Exchange,
Respondents.

Investigation of Practices of the California
Independent System Operator and the
California Power Exchange

Docket Nos. EL00-98-000
EL00-98-042
EL00-98-058

Fact-Finding Investigation Into Possible
Manipulation of Electric and Natural Gas
Prices

Docket No. PA02-2-000

Reliant Energy Services, Inc.

Docket No. EL03-59-000

BP Energy Company

Docket No. EL03-60-000

Enron Power Marketing, Inc. and Enron
Energy Services, Inc.

Docket No. EL03-77-000

Bridgeline Gas Marketing, L.L.C., Citrus
Trading Corporation, ENA Upstream
Company, LLC, Enron Canada Corp., Enron
Compression Services Company, Enron
Energy Services, Inc., Enron MW, L.L.C., and
Enron North America Corp.

Docket No. RP03-311-000

El Paso Electric Company, Enron Power
Marketing, Inc., Enron Capital and Trade
Resources Corporation

Docket No. EL02-113-000

Portland General Electric Company

Docket No. EL02-114-000

Enron Power Marketing, Inc.

Docket No. EL02-115-001

Avista Corporation, Avista Energy, Inc.)	Docket No.	EL02-115-000
)		
CALifornians for Renewable Energy, Inc. (CARE),)	Docket No.	EL01-2-000
)		
Complainant,)		
v.)		
Independent Energy Producers, Inc., and All Sellers of Energy and Ancillary Services Into Markets Operated by the California Independent System Operator and the California Power Exchange; All Scheduling Coordinators Acting on Behalf of the Above Sellers; California Independent System Operator Corporation; and California Power Exchange Corporation,)		
)		
Respondents)		
)		
Puget Sound Energy, Inc.,)	Docket No.	EL01-10-000
)		
Complainant,)		
v.)		
All Jurisdictional Sellers of Energy and/or Capacity at Wholesale Into Electric Energy and/or Capacity Markets in the Pacific Northwest, Including Parties to the Western Systems Power Pool Agreement,)		
)		
Respondents)		

ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION IN OPPOSITION TO CARE'S REQUEST FOR INVESTIGATION TO RESOLVE DISCREPANCY

Pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213 (2002), the California Independent System Operator Corporation ("ISO") hereby submits its answer to the "Request for Investigation to Resolve the Discrepancy Between the California Independent System Operator's July 10, 2000 Report on the Causes of the June 14, 2000 Outages and Calpine's June 14, 2000 Geysers Power Plants Outage Reports," filed by the Californians for Renewable Energy ("CARE") in the above-captioned dockets on June 5, 2003 (the "Request for Investigation").

The Request for Investigation is frivolous, both factually (because it is predicated on a supposed reporting “discrepancy” that simply does not exist) and legally (because it attempts to re-litigate arguments that have been rejected by the Commission twice previously). Accordingly, the ISO respectfully requests that the Commission summarily reject CARE’s Request for Investigation.

I. BACKGROUND

In its Request for Investigation, CARE asks that the Commission to investigate supposed “discrepancies between the events and circumstances surrounding the June 14, 2000 rolling blackouts in the San Francisco bay area as reported by the California Independent System Operator Corporation . . . to [the] California Electricity Oversight Board (EOB) on July 10, 2000 . . . with the two “Geysers Power Plants Trip/Outage/Major Equipment Event Report[s]” provided by Calpine on the day of the blackouts.” Request for Investigation at 1. CARE contends that the supposed discrepancies “provide corroborative evidence of CAISO’s fraudulent (false) report to the EOB and the public on the true nature of the events surrounding the June 14, 2000 rolling blackouts in the San Francisco bay area” and that Calpine colluded with ISO to increase the price of electricity that Calpine sold through market-based rates and bilateral contracts. *Id.* at 1-3.

It is not apparent, however, why the circumstances identified by CARE are supposed to amount to “discrepancies.” CARE alleges three specific instances that relate to ISO:

1. The ISO reported an outage of two plants ("Geysers #16" and "Geysers #17") as scheduled maintenance whereas Calpine's outage reports for "WFF Unit 1" and "WFF Unit 2" listed the reason for their outages as a "forced outage" due to a "tripped breaker."

2. The ISO reported an outage of "Geysers #16" and "Geysers #17" in the amount of 66 MW and 48 MW respectively (or a total of 114 MW off-line) whereas Calpine listed the outages of "WFF Unit1" and "WFF Unit2" as 13.5 MW and 13.5 MW respectively (or a total of 27 MW off-line).

3. The ISO's July 10, 2000 report of events and circumstances leading up to the June 14, 2000 blackout includes information about "Geysers #16" and "Geysers #17," but does not include information about "WFF Unit1 and WFF Unit2."

See *Id.* at 4-5, 7-8 and Exhibit A.

II. ANSWER

A. CARE's Request for Investigation Constitutes an Impermissible Collateral Attack on the Commission's December 15, 2000 and December 19, 2001 Orders

As noted in its Request for Investigation, this is not the first time that CARE has filed with the Commission alleging that the ISO "colluded" with Calpine with respect to the scheduled outage of the two Geysers plants at issue

here. In fact, CARE has made the same allegation twice before. In both instances, the Commission found CARE's assertion to be groundless.

CARE made this allegation for the first time in a complaint filed on October 6, 2000, in Docket No. EL01-002, which cited the scheduled outages of the two Geysers plants on June 14, 2000, as evidence that the ISO had conspired with generators to cause the Bay Area rolling outages on that date. The ISO responded by demonstrating that CARE's allegations were completely without merit, because the scheduled outages of the Geysers plants had been planned in accordance with the outage coordination provisions of the ISO's Tariff and Protocols. The ISO pointed out that CARE had offered absolutely no evidence that these planned outages were part of a scheme to cause the rolling outages of June 14, 2000.

The Commission agreed with the ISO, and rejected CARE's October 6, 2000 complaint in its Order Directing Remedies for California Wholesale Electric Markets, 93 FERC ¶ 61,294, issued on December 15, 2000 ("December 15 Order"). The Commission explained that "[s]imply put, CARE has failed to meet its burden of proof inasmuch as [it] did not provide adequate evidence in support of its allegation of an ISO/generator trust." *Id.* at 62,020. Furthermore, the Commission rejected CARE's request for rehearing of this aspect of the December 15 Order, noting that CARE's rehearing petition "merely reiterates the allegations and evidence included in its initial complaint." Order on Clarification and Rehearing, 97 FERC ¶ 61,275 at 62,236 (2001) ("December 19 Order").

CARE's current Request for Investigation, by its own admission, raises the same allegation that it made in its October 6, 2000 complaint and repeated in its request for rehearing of the December 15 Order. CARE asserts that the ISO "colluded" with generators, in this instance Calpine, to cause the rolling outages in the Bay Area on June 14, 2000, and raise the price of electricity in California. Request for Investigation at 3,5. The Commission has already rejected this exact argument on two separate occasions, and CARE has offered no new evidence supporting such a theory. Therefore, CARE's Request for Investigation constitutes an impermissible collateral attack on the Commission's December 15 and December 19 Orders, and should be rejected.

B. CARE's Request for Investigation is Based on a Factual Misunderstanding Which Renders it Baseless

Even if the Commission declines to dismiss CARE's Request for Investigation on procedural grounds alone, it should reject the Request for Investigation because the so-called "discrepancies" alleged by CARE are premised on a factual error. An understanding of this error reveals that no such "discrepancies" actually exist.

The fatal error that underlies CARE's Request for Investigation is the baseless assumption that the two Geysers plants that were down for scheduled maintenance on June 14, 2000 ("Geysers #16" and "Geysers #17", totaling 114 MW off line), are the same two plants as "WFF Unit1" and "WFF Unit2" (which CARE notes total only 27 MW off line), which are described in the Calpine documents submitted to CARE as having been forced out of service due to a

tripped breaker.¹ In fact, these units are entirely distinct. Appended to this answer as Attachment A are two generation maps used by the ISO's Outage Coordination department, which show that the Geysers units and West Ford Flat units are, in fact, different generators. Given this, it is hardly surprising that the outage reports for these units do not match. Indeed, with this clarification, the evidence proffered by CARE does not suggest any discrepancy whatsoever. There being no discrepancy, there is no reason whatsoever to entertain CARE's Request for Investigation.

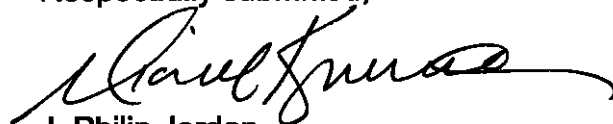
III. CONCLUSION

For the reasons set forth above, the ISO respectfully requests that the Commission summarily reject CARE's Request for Investigation

Charles F. Robinson
General Counsel
Gene Waas
Regulatory Counsel

The California Independent System
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Respectfully submitted,



J. Philip Jordan
Michael Kunselman

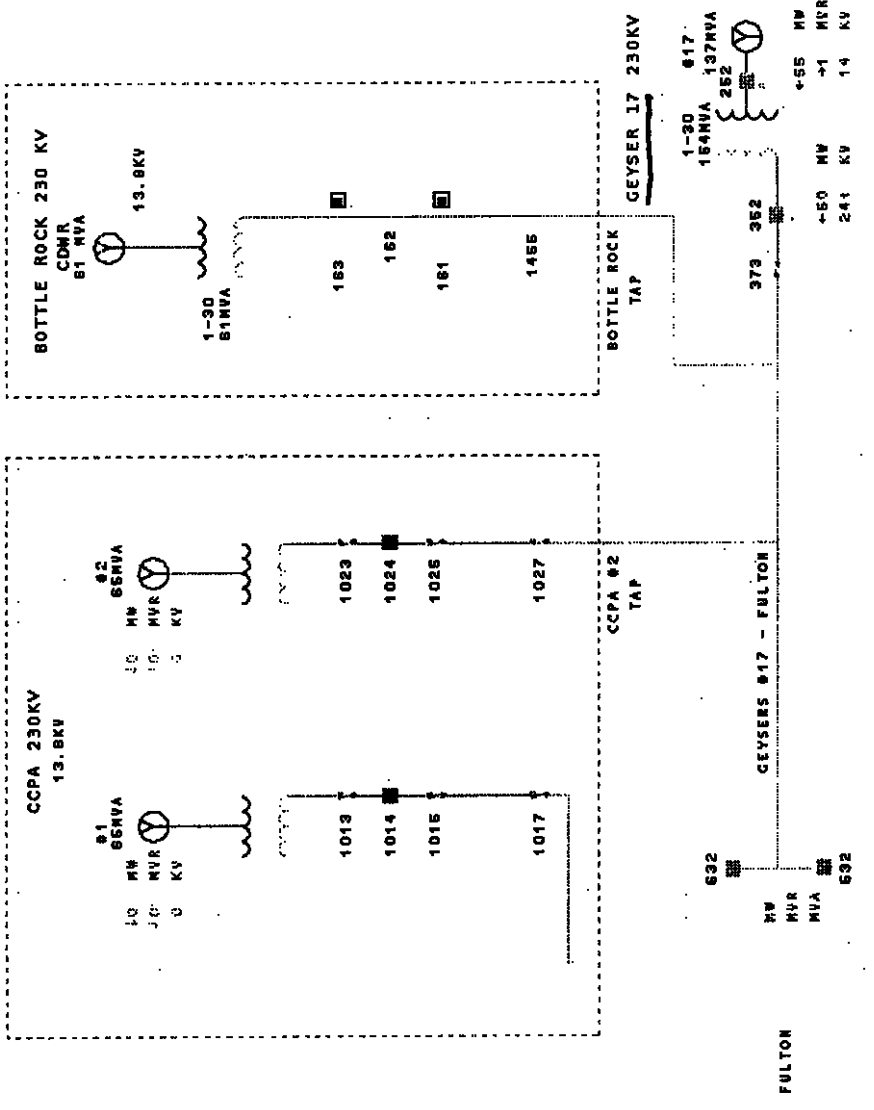
Swidler, Berlin, Shereff and Friedman, LLP
3000 K Street, Ste. 300
Washington, D.C. 20007
Telephone: (202) 424-7500

¹ "WFF" is an acronym for "West Ford Flats."

ATTACHMENT A

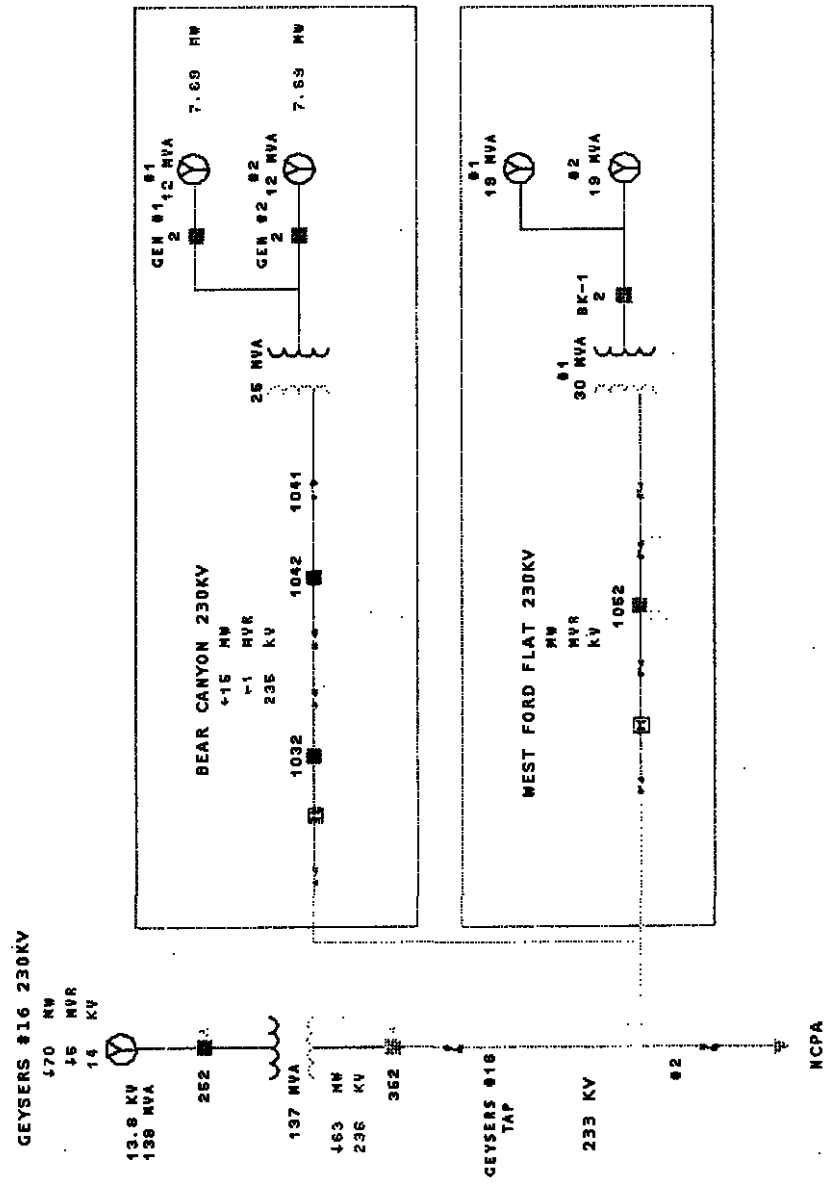
Two Generation Maps Showing the Geysers Units and West Ford Flat Units

PG&E BOTTLE ROCK 230 KV



GEYSERS SUMMARY	MW	MVA
GYS5X6	79	0
GYS7X8	57	-12
GEYS11	53	-9
GEYS12	46	0
GEYS13	60	0
GEYS14	51	-3
GEYS16	63	0
GEYS17	50	-8
GEYS18	55	-2
GEYS20	41	-0
GEYSERS TOTAL:	596	-37
SNUDGO #1	35	-9
NCPA #1	36	0
#2	29	1
#3	28	0
#4	33	0
TOTAL:	132	
BEAR CANYON #1	8	
#2	8	
TOTAL:	15	1
WEST FORD FLAT		
CALISTOGA DWR #1	0	
#2	0	
TOTAL:	0	0
AIDLIN #1	8	
#2	8	
TOTAL:	16	16
GEOTHERMAL TOTAL		

PG&E BEAR CANYON 230 KV



GEYSERS SUMMARY	MW	MVR
GYS5X6	79	0
GYS7X8	57	-12
GEYS11	52	-9
GEYS12	46	0
GEYS13	66	5
GEYS14	51	-3
GEYS16	63	0
GEYS17	50	-8
GEYS18	55	-2
GEYS20	41	-0
GEYSERS TOTAL:	596	-38
SNUDCO #1	35	-9
NCPA	36	0
#1	36	1
#2	28	0
#3	28	0
#4	33	0
TOTAL:	132	
BEAR CANYON #1	3	
#2	3	
TOTAL:	15	1
WEST FORD FLAT		
CALISTOGA DWR #1	0	
#2	0	
TOTAL:	0	0
AIDLIN #1	3	
#2	8	
TOTAL:	16	16
GEOTHERMAL TOTAL		

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing document to be served by first class mail, postage prepaid, upon each person designated on the official service lists compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 20th day of June, 2003.


Michael Kunselman