

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

California Independent System Operator Corporation)))	Docket Nos. ER09-556-000, ER08-367-003, and ER06-615-039
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**MOTION FOR LEAVE TO SUPPLEMENT ANSWER, AND SUPPLEMENT TO
ANSWER, OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION**

The California Independent System Operator Corporation (“ISO” or “CAISO”)¹ hereby files a motion to supplement the Answer it submitted in these proceedings on February 23, 2009,² and supplements the Answer, with regard to one matter discussed therein concerning Exceptional Dispatch.

I. Motion for Leave to Supplement Answer

The ISO respectfully requests that the Commission accept the instant supplement to the Answer.³ Commission acceptance is appropriate because the discussion in this filing will assist the Commission in its decision-making process and its acceptance will not cause any undue prejudice or delay in this proceeding.⁴

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the CAISO Tariff (also known as the Market Redesign and Technology Upgrade or MRTU Tariff).

² Motion for Leave to File One Day Out-of-Time, Answer to Motions to Intervene and Comments, Motion to File Answer, and Answer to Protests, of the California Independent System Operator Corporation (“Answer”).

³ The ISO makes this request pursuant to 18 C.F.R. § 385.213(d).

⁴ See, e.g., *EIF Berkshire Holdings, LLC*, 116 FERC ¶ 61,273, at P 12 (2006); *CalPeak Power, LLC*, 110 FERC ¶ 61,145, at P 9 (2005).

II. Supplement to Answer

In the Answer, the ISO noted that the California Department of Water Resources State Water Project (“SWP”) objected to the ISO’s proposal in these proceedings to modify Section 34.9.2 of the CAISO Tariff to state that the ISO may issue Exceptional Dispatch instructions in order to “reverse the operating mode of a Pumped-Storage Hydro Unit.” SWP asserted that the CAISO Tariff should be further modified to allow Exceptional Dispatch to reverse pump storage operating mode only upon the consent of the pump storage facility’s operator, and the operator should be permitted to decline the Exceptional Dispatch.⁵ The ISO explained in the Answer why the Commission should accept the ISO’s proposed changes and pointed out that SWP is not obligated to comply with an Exceptional Dispatch if complying with such dispatch would cause it to violate any legal requirements related to water management.⁶

The ISO now supplements the explanation in the Answer to reiterate that it intends to abide by the longstanding procedure applicable to SWP, due to its primary responsibility to manage the State Water Project, not to instruct SWP to curtail or increase its usage of its resources involuntarily. The ISO’s Operating Procedure E-508B reflects this practice and requires operators to contact SWP to ascertain whether SWP is able and willing to increase or decrease consumption prior issuing a dispatch instruction. The ISO intends to continue this practice under MRTU. In addition, the ISO is in the process of considering revisions to its MRTU Exceptional Dispatch Operating Procedure, M-402, and will revise this

⁵ Answer at 6 (citing SWP at 2-6).

⁶ Answer at 7-8.

procedure to be consistent with E-508B so as to require ISO operators to contact SWP prior to issuing an Exceptional Dispatch to SWP. This longstanding practice is recognized by the Commission as consistent with the CAISO Tariff. As noted in its recent order in the Exceptional Dispatch proceeding, the Commission acknowledged that the ISO would not direct SWP to increase consumption involuntarily or adjust or interrupt its loads except on a voluntary basis.⁷ The ISO hopes this addresses SWP's concern about the ISO's utilization of Exceptional Dispatch with respect to SWP. The ISO believes that no changes to the tariff are required on compliance on this matter.

III. Conclusion

For the reasons explained herein, the Commission should accept this supplement to the Answer and should issue directives in these proceedings consistent with the discussion above.

Respectfully submitted,

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Dated: February 26, 2009

⁷ *California Independent System Operator Corp.*, 126 FERC ¶ 61,150, at P 241 (2009).

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 above-referenced proceedings, 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 Washington, D.C. this 26th day of February, 2009.

/s/ Bradley R. Miliauskas
Bradley R. Miliauskas