

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

<b>Pacific Gas and Electric Company</b>	)	<b>Docket No. ER08-1193-000</b>
<b>Large Generator Interconnection Agreement Among Geysers Power Company, LLC (Aidlin Power Plant), Pacific Gas and Electric Company, and the California Independent System Operator Corporation</b>	)	<b>Docket No. ER08-____-000</b>
<b>Large Generator Interconnection Agreement Among Geysers Power Company, LLC (Bear Canyon Power Plant), Pacific Gas and Electric Company, and the California Independent System Operator Corporation</b>	)	<b>Docket No. ER08-____-000</b>
<b>Large Generator Interconnection Agreement Among Geysers Power Company, LLC (Calistoga Power Plant), Pacific Gas and Electric Company, and the California Independent System Operator Corporation</b>	)	<b>Docket No. ER08-____-000</b>
<b>Large Generator Interconnection Agreement Among Geysers Power Company, LLC (West Ford Flat Power Plant), Pacific Gas and Electric Company, and the California Independent System Operator Corporation</b>	)	<b>Docket No. ER08-____-000</b>
	)	<b>(Not Consolidated)</b>

**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO CONSOLIDATE PROCEEDINGS, TO SHORTEN TIME PERIOD FOR ANSWERS, AND FOR EXPEDITED COMMISSION ACTION**

Pursuant to Rule 212 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.212, the California Independent System Operator

Corporation (“CAISO”)<sup>1</sup> submits this motion to request that the Commission expeditiously: (1) consolidate the above-referenced closely-related proceedings; (2) shorten to two business days the time period for filing any answers to the instant request to consolidate; and (3) take expedited action by issuing an order regarding these requests as early as practicable and in all events prior to August 6, 2008. The CAISO has been authorized to state that all three of these requests are supported by the entities with the most direct interest in these matters, Pacific Gas and Electric Company (“PG&E”) and Geysers Power Company, LLC (“Geysers” or “GPC”).

## **I. Background**

Geysers owns, as relevant here, four geothermal power plants (“Plants”) located in northern California which are Qualifying Facilities.<sup>2</sup> The Plants were interconnected with PG&E’s transmission system in the 1980s under interconnection arrangements jurisdictional to the California Public Utilities Commission (“CPUC”), and subsequently were interconnected with the CAISO Controlled Grid.<sup>3</sup> Until June 30, 2008, Geysers sold the power generated by the Plants exclusively to PG&E, a Participating Transmission Owner, under standard offer contracts approved by the CPUC and pursuant to the Public Utility Regulatory Policies Act. On that date, however, the sales contracts concerning

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the CAISO Tariff.

<sup>2</sup> The Plants are the Aidlin Power Plant, the Bear Canyon Power Plant, the Calistoga Power Plant, and the West Ford Flat Power Plant.

<sup>3</sup> The CAISO Controlled Grid began operations in 1998.

the Plants expired and accordingly their respective associated CPUC-jurisdictional interconnection arrangements similarly terminated. Starting on July 1, 2008, Geysers began selling the power from the Plants through bilateral transactions in the CAISO wholesale markets.

Geysers, PG&E, and the CAISO agree that, due to the pending expiration of the CPUC-jurisdictional interconnection agreements, the Plants need to be covered under interconnection arrangements that are jurisdictional to this Commission. However, these parties have not reached agreement on what Commission-jurisdictional interconnection arrangements would be required starting on July 1. PG&E and Geysers have taken the position that this Commission, in a January 2004 decision<sup>4</sup> approving the current PG&E-Geysers Generator Special Facilities Agreement (“GSFA”) and Generator Interconnection Agreement (“GIA) (collectively “Existing PG&E/Geysers Interconnection Agreements”), through which PG&E provides FERC-jurisdictional interconnection services to 15 geothermal generating units Geysers operates in the same geothermal area in Northern California in which these four transitioning generators are also located, has already authorized PG&E to provide FERC-jurisdictional interconnection services to these four additional geothermal generating facilities in accordance with the Existing PG&E/Geysers Interconnection Agreements. According to PG&E and Geysers, the transition of each of the four generators to the Existing PG&E/Geysers Interconnection Agreements would occur upon the expiration of their respective power sales

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<sup>4</sup> *Pacific Gas & Elec. Co.*, Letter Order, dated January 21, 2004 in Docket No. ER04-267-000.

agreement with PG&E and the associated termination of their respective CPUC-jurisdictional interconnection arrangements. PG&E accordingly submitted a supplement to the Existing PG&E/Geysers Interconnection Agreements in Docket No. ER08-1193-000 for the purpose of making the four generators participants in the agreement.

The CAISO, on the other hand, has asserted that the provisions of the CAISO Tariff require Commission-jurisdictional interconnection services to be provided to the four Geysers plants pursuant to the CAISO's Standard Large Generator Interconnection Procedures ("LGIP") and Standard Large Generator Interconnection Agreement ("LGIA"). Given this requirement, and the Commission's interconnection policies as set forth in Order No. 2003 and its progeny, the CAISO does not agree that the Commission's January 2004 decision accepting the Existing PG&E/Geysers Interconnection Agreements authorizes PG&E to provide interconnection services to the four Geysers plants at issue under the Existing PG&E/Geysers Interconnection Agreements.<sup>5</sup> PG&E, Geysers, and the CAISO continue to hold these respective views.

On June 30, 2008, PG&E filed, in Docket No. ER08-1193-000 (the first of the above-referenced dockets), proposed revisions to the GSFA and GIA in order to include terms in the Existing PG&E/Geysers Interconnection Agreements regarding the Plants, to be effective July 1, 2008 ("June 30 Filing"). Also on June 30, Geysers and the CAISO executed a letter agreement that included the following provisions:

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<sup>5</sup> Appendix U to the CAISO Tariff contains the CAISO's Commission-approved *pro forma* LGIP, and Appendix V contains the LGIA.

While PG&E and GPC and the CAISO currently have not reached agreement on the appropriate and required form of FERC-jurisdictional interconnection agreement, the parties do recognize the critical importance to California that the renewable baseload power from the four [Plants] continue to be generated and delivered to the CAISO markets and California electric consumers as of July 1 and continuously thereafter and without interruption.

Accordingly, GPC and PG&E recognize that CAISO is relying on PG&E's provision of FERC jurisdictional interconnection service pursuant to the revised Geysers Integrated GSFA for purposes of enabling the [Plants] to participate fully in the CAISO markets effective July 1, 2008 . . . . GPC accordingly agrees that by such actions the CAISO is not waiving, and is specifically reserving, its full rights under the CAISO Tariff and Section 205 of the Federal Power Act to oppose the use of the revised Geysers Integrated GSFA for such purposes. On such basis, the CAISO agrees that GPC shall be authorized as of July 1, and without any interruption, to schedule and sell power from the four [Plants] into the CAISO markets as provided for in this letter agreement and that such authority shall continue until the earlier of FERC accepting for filing PG&E's submission of the revised Geysers Integrated GSFA or the effectiveness of an LGIA for each of the [Plants] as submitted by the CAISO and accepted by FERC.<sup>6</sup>

On July 22, 2008, the CAISO filed, in separate dockets, four unexecuted LGIAs covering the Plants, with a requested effective date of July 1, 2008. On July 22, the CAISO also filed a motion to intervene and protest regarding PG&E's June 30, 2008, filing in Docket No. ER08-1193-000. Geysers and PG&E have also advised the CAISO that they presently are contemplating making the following pleadings with respect to these matters: (i) Geysers will on July 22 file a motion to intervene and provide comments in support of PG&E's June 30 Filing in Docket No. ER08-1193-000; (ii) Geysers and PG&E will each seek leave to file a reply and submit a reply to the CAISO's protest of PG&E's June 30 filing; and

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<sup>6</sup> This letter agreement is provided for information purposes as Attachment A hereto.

(iii) Geysers and PG&E will each file a protest against each of the CAISO's applications seeking approval of LGIAs for the four generators.

## **II. Request for Consolidation**

The Commission favors the consolidation of proceedings that involve common issues of law and fact.<sup>7</sup> It may consolidate such proceedings in order to permit the expeditious resolution of issues, further the interests of administrative efficiency, avoid duplicative effort, and/or benefit the public interest generally.<sup>8</sup>

The CAISO requests that the above-referenced proceedings, which consist of the docket assigned to the June 30 Filing as well as the four dockets that will be assigned to the unexecuted LGIAs filed by the CAISO, be consolidated because they involve common legal and factual issues. The same facts are relevant to all of the proceedings, and the central legal issue in all of them is what form the Commission-jurisdictional interconnection arrangements for the Plants should take, *i.e.*, whether such service should be provided under the Existing PG&E/Geysers Interconnection Agreements or under the CAISO's LGIAs. Consolidating the proceedings will allow this issue to be resolved expeditiously, further the interests of administrative efficiency, avoid duplication, and benefit the public interest. Moreover, as stated above, PG&E and Geysers

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<sup>7</sup> See, e.g., *Midwest Independent Transmission System Operator, Inc.*, 122 FERC ¶ 61,113, at P 34 (2008); *Ameren Services Co. v. Midwest Independent Transmission System Operator, Inc.*, 121 FERC ¶ 61,205, at P 22 (2007); *Entergy Arkansas, Inc.*, 119 FERC ¶ 61,334, at P 14 (2007).

<sup>8</sup> See, e.g., *ISO New England Inc.*, 124 FERC ¶ 61,013, at P 36 (2008); *Panhandle Complainants v. Southwest Gas Storage Co.*, 120 FERC ¶ 61,207, at P 21 (2007); *Los Esteros Critical Energy Facility, LLC*, 114 FERC ¶ 61,079, at P 23 (2006).

Power have authorized the CAISO to represent that they each support this request to consolidate the proceedings. Therefore, the Commission should consolidate them.

### **III. Request for Shortened Time Period for Filing Any Answers**

The CAISO requests that the Commission shorten to two business days the time period for filing any answers to the instant request to consolidate the above-referenced proceedings.<sup>9</sup> Shortening the time period to two business days will ensure that the Commission has sufficient time to issue an expedited order as described in Section IV below. Also, as stated above, PG&E and Geysers Power have authorized the CAISO to represent that they each support shortening the time period for any responses to this motion to consolidate to two business days. The Commission routinely shortens the time period for filing answers in appropriate circumstances.<sup>10</sup> For the reasons explained above, it should shorten the time period in the instant case as requested.

### **IV. Request for Expedited Commission Action**

The CAISO respectfully requests that the Commission issue an order on this request to consolidate as soon as practicable, but in any event prior to August 6, 2008, which is the date on which responses to the CAISO's protest of the June 30 Filing would be due. The CAISO makes this request for expedited

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<sup>9</sup> See 18 C.F.R. § 385.213(d) ("Any answer to a motion . . . must be made within 15 days after the motion . . . is filed, unless otherwise ordered.").

<sup>10</sup> See, e.g., Notice of Shortened Time Period, Docket No. IN07-26-000 (Mar. 5, 2008); Notice Shortening Answer Period, Docket No. EL00-98-184 (Oct. 29, 2007); Order of Chief Judge Shortening Time for Answers to Motions, Docket No. EL06-62-001 (Oct. 31, 2006); Notice Shortening Response Period, Docket No. EL05-146-001 (Aug. 4, 2006).

Commission action because otherwise the parties may be compelled to make responsive and largely duplicative pleadings in as many as five separate dockets, which would be inefficient from both the parties' and the Commission's perspectives. Issuance of a Commission order as early as practicable will best ensure that the parties need not make any unnecessary or duplicative filings in the above-referenced proceedings. The parties have agreed that the most sensible and efficient procedure would be to consolidate any answers to the CAISO's protest of PG&E's June 30 Filing with protests to the CAISO's unexecuted LGIA filings, and make such filings no later than the date on which comments are due on the LGIA filings. However, the parties would need to have a Commission order approving consolidation prior to August 6, 2008 in order to realize this result.

Further, as stated above, PG&E and Geysers Power have authorized the CAISO to represent that they each support the CAISO's request that the Commission issue the requested consolidation order as soon as practicable and in any event prior to August 6, 2008. The Commission routinely grants requests for expedited Commission action,<sup>11</sup> and, for the reasons explained above, it should do so here.

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<sup>11</sup> See, e.g., *Southern Company Services, Inc.*, 112 FERC ¶ 61,015, at P 10 (2005); *Midwest Independent Transmission System Operator, Inc.*, 109 FERC ¶ 61,157, at Ordering Paragraph (E) (2004); *Open-Access Same-Time Information System (OASIS) and Standards of Conduct*, 88 FERC ¶ 61,305, at 61,941 (1999).

## V. Conclusion

For the reasons explained above, the Commission should grant the CAISO's requests to expeditiously consolidate the above-referenced proceedings, to shorten to two business days the time period for filing any answers to the instant request to consolidate, and to issue, as soon as practicable and in any event prior to August 6, 2008, an order concerning the instant requests to consolidate and to shorten the time period for filing any answers.

Respectfully submitted,

Nancy Saracino  
General Counsel  
Sidney M. Davies  
Assistant General Counsel  
California Independent System  
Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630  
Tel: (916) 351-4400  
janders@caiso.com

/s/ Michael Kunselman  
Michael Kunselman  
Bradley R. Miliauskas  
Alston & Bird LLP  
The Atlantic Building  
950 F Street, NW  
Washington, DC 20004-1404  
Tel: (202) 756-3300  
Fax: (202) 756-3333  
michael.kunselman@alston.com

Attorneys for the California Independent  
System Operator Corporation

Dated: July 22, 2008

## **Attachment A**



## GEYSERS POWER COMPANY, LLC

June 30, 2008

Mr. Jim Detmers  
Vice President Operations  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Dear Mr. Detmers:

Geysers Power Company, LLC ("GPC") has been working diligently with the California Independent System Operator Corporation ("CAISO") and Pacific Gas and Electric Company ("PG&E") to finalize the arrangements necessary for its four qualifying facilities, known as Aidlin Power Plant, Bear Canyon Power Plant, Calistoga Power Plant, and West Ford Flat Power Plant ("Transitioning Generators"), to be listed under GPC's Participating Generator Agreement ("PGA"), Schedule 1 to enable, effective July 1, 2008, GPC to start selling the electrical output from these Transitioning Generators through bilateral transactions in the CAISO wholesale market. The four Transitioning Generators are each connected to the CAISO Controlled Grid and each currently sell energy to PG&E, a Participating TO, pursuant to PURPA standard offer contracts.

In preparation for this transition, GPC has installed CAISO meters and communication circuits and reprogrammed its Data Processing Gateway ("DPG") systems to provide data from GPC's generating facilities to the CAISO, and has submitted updates to Schedules 1 and 3 of its PGA and Schedule 1 of its Meter Service Agreement ("MSA") and to GPC's Master File Data. GPC has also submitted to the CAISO an Affidavit representing for each of these four Transitioning Generators that the generating capability and electrical characteristics of each of these four Transitioning Generators will remain substantially unchanged. In addition, GPC has provided an Owner's notice that the Scheduling Coordinator responsibilities for these four Transitioning Generators will switch from PG&E to Calpine Energy Services beginning with the operating day July 1, 2008.

In other words, GPC has completely satisfied all requirements of the CAISO Tariff necessary for GPC as of July 1, 2008 to commence scheduling and selling the power from the four Transitioning Generators, including, but not limited to, having in effect a PGA and a MSA, prior to July 1, 2008, with the only exception being agreement with respect to the required form of FERC-jurisdictional interconnection arrangements.

PG&E and GPC believe that it is appropriate that PG&E provide the four Transitioning Generators FERC-jurisdictional interconnection services pursuant to the Generator Special Facilities Agreement they executed in September 2003 and which FERC approved in January 2004 ("Geysers Integrated GSFA"). PG&E and GPC have accordingly revised the Geysers Integrated GSFA to identify the Transitioning Generators as participants. PG&E shall also accordingly submit to FERC on June 30 such revised Geysers Integrated GSFA and request authority as of July 1, 2008 to provide FERC-jurisdictional interconnection services to the Transitioning Generators pursuant to the Geysers Integrated GSFA

PG&E and GPC also understand that the CAISO believes Sections 25.1(d) and 25.1.2.1 of the CAISO Tariff require the CAISO and PG&E to provide FERC-jurisdictional interconnection services to each the four Transitioning Generators through the execution of a separate Large Generator Interconnection Agreement ("LGIA") for each Transitioning Generator. PG&E and GPC also understand that the CAISO presently intends to protest PG&E's submission of the revised Geysers Integrated GSFA and concurrently file an unexecuted LGIA for each of the four Transitioning Generators.

While PG&E and GPC and the CAISO currently have not reached agreement on the appropriate and required form of FERC-jurisdictional interconnection agreement, the parties do recognize the critical importance to California that the renewable baseload power from the four Transitioning Generators continue to be generated and delivered to the CAISO markets and California electric consumers as of July 1 and continuously thereafter and without interruption.

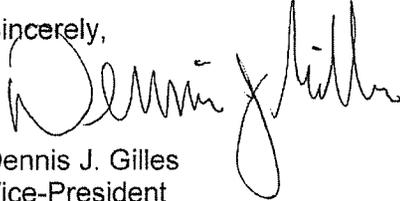
Accordingly, GPC and PG&E recognize that CAISO is relying on PG&E's provision of FERC jurisdictional interconnection service pursuant to the revised Geysers Integrated GSFA for purposes of enabling the four Transitioning Generators to participate fully in the CAISO markets effective July 1, 2008 and in accordance with all applicable agreements, including, but not limited to, the revised PGA and MSA. GPC accordingly agrees that by such actions the CAISO is not waiving, and is specifically reserving, its full rights under the CAISO Tariff and Section 205 of the Federal Power Act to oppose the use of the revised Geysers Integrated GSFA for such purposes. On such basis, the CAISO agrees that GPC shall thereby be authorized as of July 1, and without any interruption, to schedule and sell power from the four Transitioning Generators into the CAISO markets as provided for in this letter agreement and that such authority shall continue until the earlier of FERC accepting for filing PG&E's submission of the revised Geysers Integrated GSFA or the effectiveness of an LGIA for each of the Transitioning Generators as submitted by the CAISO and accepted by FERC.

GPC agrees that it will not object to a request by the CAISO for waiver of the sixty (60) day notice requirement with respect to the CAISO's filing of an unexecuted LGIA for each of the Transitioning Generators. CAISO agrees that it will not object to PG&E's request for a waiver of the sixty (60) day notice requirement with respect to PG&E's June 30 submission of the revised Geysers Integrated GSFA. In the event that FERC ultimately rules or the parties otherwise agree that PG&E must provide FERC-jurisdictional interconnection services for the Transitioning Generators through separate

LGIAs, GPC agrees to work with PG&E and the CAISO to execute the necessary LGIAs as accepted by the FERC.

Please let me or Dean Cooley (707-431-6077) know if you need additional information with respect to any matter discussed above.

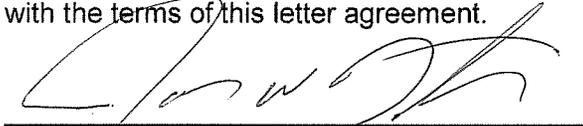
Sincerely,



Dennis J. Gilles  
Vice-President

cc: John Anders  
Michael Boas  
Steve Cassinelli  
Steve Rutty  
Brig Basho  
Art McAuley (PG&E)  
Alice Reid (PG&E)

The CAISO agrees to allow Geysers Power Company to schedule and sell power from the four Transitioning Generators as of July 1, without interruption, and in accordance with the terms of this letter agreement.



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Jim Detmers  
Vice President Operations

Dated: June <sup>30</sup>\_\_, 2008

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the above-referenced 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 Washington, D.C. this 22<sup>nd</sup> day of July, 2008.

/s/ Bradley R. Miliauskas  
Bradley R. Miliauskas