

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

Cabrillo Power II LLC

)

Docket No. ER08-177-000

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

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.214 (2007), the California Independent System Operator (“CAISO”) submits this Motion to Intervene and Comments in the captioned proceeding. In support thereof, the CAISO states as follows:

I. Description of the Proceeding

On October 31, 2007, Cabrillo Power II LLC (“Cabrillo II”) submitted, pursuant to Section 205 of the Federal Power Act (“FPA”), its annual update filing proposing revised rate schedule sheets to its Reliability Must-Run Agreement (“RMR Agreement”) ^{1/} with the CAISO for Contract Year 2008. Cabrillo II’s proposed revisions (i) reflect the removal of Cabrillo II’s Kearny 1 and El Cajon units from the RMR Agreement and (ii) adjusts the 2008 rate for RMR service for the remaining designated units to account for the termination of the Kearny 1 and El Cajon units. Cabrillo II requests that all of the revised sheets become effective as of January 1, 2008.

The Commission issued a Combined Notice of Filings setting November 23, 2007 as the deadline for interventions in this proceeding.

II. 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 a principal place of business at 151 Blue Ravine Road, Folsom, CA 95630. 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.

CAISO is the Control Area Operator responsible for the reliable operation of a grid comprising of the transmission systems of a number of public utilities including San Diego Gas & Electric Company (“SDG&E”), as well as the coordination of the ancillary services and real-time electricity markets in California.

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

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III. Motion to Intervene

Cabrillo II’s RMR units are located within SDG&E’s transmission system and certain of its units are needed to maintain the reliability of such system. As the Control Area Operator responsible for maintaining reliability of the SDG&E transmission system and, as the counter party to Cabrillo II’s RMR Agreement, the CAISO has a unique interest in any Commission proceeding that affects this RMR Agreement. Accordingly, the CAISO has a direct and substantial interest in this proceeding and requests that it be permitted to intervene with full rights of a party. Because no other party can adequately represent the CAISO’s interests, the CAISO’s intervention is in the public interest and should be granted.

IV. Comments

The CAISO extended all of the Cabrillo II units under the RMR Agreement on September 28, 2007. Subsequent to this, Cabrillo II entered into a power purchase agreement for the output of the Kearny I and El Cajon units with a load serving entity to meet the California Public Utilities Commission's Local Resource Adequacy Requirements program. Cabrillo II and the CAISO then executed a letter agreement wherein the CAISO accepted this power purchase agreement in place of the RMR Agreement with respect to the Kearny I and El Cajon units. Accordingly, Cabrillo II's revisions to its RMR rate schedule correctly reflects the removal of the Kearny I and El Cajon units from its RMR Agreement. The CAISO supports the removal of Cabrillo II's Kearny I and El Cajon units from RMR Agreement for Contract Year 2008 and the corresponding revisions to the RMR rate schedule.

V. Conclusion

For the foregoing reasons, the CAISO respectfully requests that the Commission (i) grant the CAISO's motion to intervene and make the CAISO a party in the above-captioned proceeding with full rights of participation and (ii) take into consideration the CAISO's comments.

Dated: November 21, 2007

Respectfully submitted,

/s/ Mary Anne Sullivan

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Counsel for
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CERTIFICATE OF SERVICE

I hereby certify that I have this 21st day of November, 2007 caused to be served a copy of the forgoing Motion to Intervene and Comments upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

/s/ Karin L. Larson

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