

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

<b>San Diego Gas &amp; Electric Company,</b>	)	
<b>Complainant,</b>	)	
	)	<b>Docket No. EL00-95-291</b>
	)	
<b>v.</b>	)	
	)	
<b>Sellers of Energy and Ancillary Services</b>	)	
<b>Into Markets Operated by the California</b>	)	
<b>Independent System Operator and the</b>	)	
<b>California Power Exchange,</b>	)	
<b>Respondents</b>	)	
	)	
<b>Investigation of Practices of the California</b>	)	<b>Docket No. EL00-98-263</b>
<b>Independent System Operator and the</b>	)	
<b>California Power Exchange</b>	)	

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
SUPPORTING PROMPT COMMISSION ACTION  
ON SETTLEMENT OVERLAY FILING**

Pursuant to Rule 213 of the Commission’s Rules of Practice and Procedure,<sup>1</sup> the California Independent System Operator Corporation (“ISO”) submits this answer to the California Parties’ October 20, 2020 Motion for Prompt Entry of Order on Uncontested Settlement Overlay Filing Petition (“Motion for Order”). Therein, the California Parties indicate that they have successfully resolved all of the challenges to the refund settlement overlays that the California Parties filed with the Commission on April 22, 2020 (“Settlement Overlay Filing”). The California Parties therefore request that the Commission act immediately and approve that filing so as to allow the California Parties, ISO and California PX to implement the final clearing process. The ISO

---

<sup>1</sup> 18 C.F.R. § 385.213 (2019).

concur that prompt Commission action on the Settlement Overlay Filing is warranted because it will expedite the resolution of this twenty-year-long proceeding.

## **I. BACKGROUND**

On April 22, 2020, the California Parties submitted to the Commission the Settlement Overlay Filing, which includes calculations intended to “reconcile the CAISO and CalPX calculations, as reflected in their Refund Rerun Compliance Filings, with the settlement[ ]” agreements entered into by the California Parties with numerous market participants.<sup>2</sup> Each settlement overlay shows the accounting adjustments necessary to implement those settlement agreements – *i.e.*, the difference between what the settling party owes under the Commission-approved ISO and PX compliance filings and the amount they paid or received under the settlement agreements.

On April 23, 2020, the ISO filed an answer to the Settlement Overlay Filing. This answer did not object to any part of the filing.

Two entities did file responses raising objections to portions of the Settlement Overlay Filing: the City of Riverside, California (“Riverside”) and the Sacramento Municipal Utility District (“SMUD”). Both of these entities have entered into settlement agreements with the California Parties. In the Motion for Order, the California Parties report that they have successfully resolved the issues raised by Riverside and SMUD, and as a result, Riverside withdrew its protest on October 6, 2020, and SMUD withdrew its comments on September 22, 2020. Because the Settlement Overlay Filing is now

---

<sup>2</sup> See 164 FERC ¶ 61,019 at P 16 (2018).

unopposed, the California Parties ask the Commission to immediately rule on and approve that filing.

## **II. ANSWER**

The ISO applauds the California Parties, SMUD and Riverside for resolving all of their outstanding issues regarding the Settlement Overlay Filing without the need for further litigation. In light of the fact that it is now unopposed, the ISO concurs that the Commission should act on the Settlement Overlay Filing as soon as possible. As the Commission is well aware, this proceeding has been ongoing for twenty years. Once the Settlement Overlay Filing is approved, the California Parties, ISO, and PX can work to implement the final clearing necessary to resolve all remaining obligations, provide market participants with finality as to their crisis-era financial positions, and bring this proceeding to a close.

## **III. CONCLUSION**

The ISO respectfully requests that the Commission consider these comments in its review of the Motion for Order, and act as soon as practically possible on the Settlement Overlay Filing so that market participants can have regulatory finality and financial certainty with respect to crisis-era transactions.

Respectfully submitted,

/s/ Michael Kunselman

Michael Kunselman  
Davis Wright Tremaine LLP  
1301 K Street, N.W., Suite 500 East  
Washington, DC 20006  
Tel: (202) 973-4295

Roger E. Collanton  
General Counsel  
Burton Gross  
Deputy General Counsel  
Daniel J. Shonkwiler  
Assistant General Counsel  
The California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Telephone: (916) 608-7015

Dated: October 22, 2020

**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of this document upon the email listserv established by the Commission for this proceeding.

Dated at Washington, DC this 22nd day of October, 2020.

/s/ Michael Kunselman  
Michael Kunselman  
Davis Wright Tremaine LLP