

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

Reliant Energy Etiwanda, Inc.

Docket No. ER05-373-000

ORDER ACCEPTING FILING

(Issued February 11, 2005)

1. In this order, we accept for filing a letter agreement setting forth certain waivers of the provisions of the Must-Run Service Agreement (RMR Agreements) between Reliant Energy Etiwanda, Inc. (Reliant Etiwanda) and the California Independent System Operator Corporation (CAISO)¹ for Reliant Etiwanda Units 3 and 4 (Letter Agreement), to become effective December 21, 2004. This order benefits customers by permitting the continued operation of RMR units to meet local reliability needs or manage intra-zonal congestion.

Background

2. On September 2, 2004, Reliant Etiwanda entered into a multi-year tolling agreement with the Southern California Edison Company (SoCal Edison) for the entire output of Reliant Etiwanda Units 3 and 4 with delivery commencing on January 1, 2005 (SoCal Edison Tolling Agreement).

3. On December 22, 2004, Reliant Etiwanda filed, pursuant to section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d (2000), the Letter Agreement to accommodate the SoCal Edison Tolling Agreement. Reliant Etiwanda requests waiver of the Commission's 60-day prior notice requirement to permit an effective date of December 21, 2004. Reliant Etiwanda states that good cause for waiver exists because the waiver will allow the Letter Agreement to be effective as of the date it was executed and allow Reliant Etiwanda to comply with the SoCal Edison Tolling Agreement.

¹ The RMR Agreement is designated as Rate Schedule FERC No. 2.

Notice of Filing and Responsive Pleadings

4. Notice of the filing was published in the *Federal Register*, 70 Fed. Reg. 1,433 (2005), with protests and interventions due on or before January 12, 2005. The California Electricity Oversight Board (CEOB), the CAISO and SoCal Edison filed timely motions to intervene. SoCal Edison also filed comments.

Discussion

A. Procedural Matters

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2004), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Letter Agreement

6. Reliant Etiwanda states that the Letter Agreement allows Reliant Etiwanda to provide the CAISO with needed reliability services while also allowing Reliant Etiwanda to comply with the SoCal Edison Tolling Agreement. In the Letter Agreement, the CAISO agrees to waive section 3.2(a) of the RMR Agreement, which requires Reliant Etiwanda to provide the CAISO with ninety (90) days notice before transferring the RMR units from Condition 2 to Condition 1. In turn, Reliant Etiwanda agrees to promptly notify the CAISO if the SoCal Edison Tolling Agreement is terminated early during a period when Reliant Etiwanda Units 3 and 4 are designated as RMR units by the CAISO. The Letter Agreement also notes that the CAISO does not believe that the SoCal Edison Tolling Agreement triggers section 2.2(c) of the RMR Agreement, which requires assignment of the RMR Agreement if Reliant Etiwanda transfers the right to control the dispatch of the RMR units to another entity. Reliant Etiwanda states that the Letter Agreement will not affect rates.

7. SoCal Edison objects to the Letter Agreement; however, it has provided only a one sentence statement which does not provide the reason or support for its objection. Therefore, we accept the Letter Agreement for filing, to become effective December 21, 2004,² as requested.

² See *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106 at 61,338, *reh'g denied*, 61 FERC ¶ 61,089 (1992).

The Commission orders:

The Letter Agreement is hereby accepted for filing, to become effective December 21, 2004, as discussed in the body of this order.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.