

141 FERC ¶ 61,218  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Philip D. Moeller, John R. Norris,  
Cheryl A. LaFleur, and Tony T. Clark.

California Independent System Operator Corporation

Docket No. ER13-168-000

ORDER CONDITIONALLY ACCEPTING INTERCONNECTED BALANCING  
AUTHORITY AREA OPERATING AGREEMENT

(Issued December 20, 2012)

1. On October 22, 2012, the California Independent System Operator Corporation (CAISO) filed the Interconnected Balancing Authority Area Operating Agreement as Amended and Restated (Amended IBAAOA) between CAISO and the Western Area Power Administration - Desert Southwest Region (Western-DSR). In this order we conditionally accept, subject to modification, the Amended IBAAOA, effective January 3, 2013, as requested by CAISO.

**I. Background**

2. CAISO proposes to amend the IBAAOA to account for the transition of Valley Electric Association, Inc. (Valley Electric) from the Nevada Power Company (Nevada Power), doing business as NV Energy balancing authority area to the CAISO balancing authority area.<sup>1</sup> CAISO states that the IBAAOA sets forth the rates, terms, and conditions upon which CAISO and Western-DSR, as North American Electric Reliability Corporation (NERC) registered balancing authorities, operate the interconnection and provide emergency assistance as required by the reliability standards.<sup>2</sup> The original version of the agreement, then referred to as an interconnected control area operating agreement, was filed on July 13, 1998 in Docket No. ER98-3708-000, and accepted by

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<sup>1</sup> CAISO October 22, 2012 Filing (CAISO Filing) at 2.

<sup>2</sup> *Id.* See Amended IBAAOA § 3.1.1 stating that the CAISO and Western-DSR are to comply with NERC and Western Electricity Coordinating Council (WECC) reliability standards.

the Commission, subject to hearing and settlement judge proceedings. CAISO states that it has since filed three amendments to the IBAAOA, the latest of which was filed in Docket No. ER11-3779-000 and accepted by delegated letter order issued on August 9, 2011.<sup>3</sup>

## II. The Amended IBAAOA

3. CAISO states that the Amended IBAAOA changes the points of interconnection and clarifies related responsibilities between CAISO and Western-DSR in order to account for the transition of Valley Electric from the Nevada Power balancing authority area to the CAISO balancing authority area.<sup>4</sup> Specifically, CAISO proposes the following changes to the IBAAOA: (1) a replacement Service Schedule 1, Interconnection, to change the points of interconnection,<sup>5</sup> (2) a replacement Service Schedule 4, Respective Jurisdiction for Operational Control, to account for the parties' roles and responsibilities with respect to operation of the facilities associated with the points of interconnection; (3) a replacement Service Schedule 5, Switching Operations, to account for the parties' roles and responsibilities with respect to the switching of the facilities associated with the points of interconnection; and (4) a replacement Service Schedule 7, Voltage Control, to account for the parties' roles and responsibilities with respect to voltage control of the facilities associated with the points of interconnection.<sup>6</sup>

4. CAISO requests that the Amended IBAAOA be made effective on January 3, 2013, which is the date targeted by CAISO, Valley Electric, Nevada Power, and Western-DSR to transition Valley Electric to the CAISO balancing authority area. CAISO commits that, in the event the transition occurs on a date other than January 3, 2013, it will submit a compliance filing reflecting the actual effective date.<sup>7</sup>

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<sup>3</sup> Amendment No. 1 was filed in Docket No. ER02-1053-000 and accepted by delegated letter order dated April 8, 2002; and Amendment No. 2 was filed in Docket No. ER08-617-000 and accepted by Commission order issued on April 29, 2008.

<sup>4</sup> CAISO Filing at 3.

<sup>5</sup> Service Schedule 1 previously listed six interconnections between the CAISO and the Western-DSR balancing authority areas. The replacement Service Schedule 1 lists seven interconnections, to account for Valley Electric's Mead-Pahrump transmission line connecting to Western-DSR's Mead Substation.

<sup>6</sup> *Id.* at 3.

<sup>7</sup> *Id.* at 4.

### **III. Notice of Filing and Responsive Pleadings**

5. Notice of CAISO's filing was published in the *Federal Register*, 77 Fed. Reg. 65,678 (2012), with interventions, comments, and protests due on or before November 13, 2012. Southern California Edison (SoCal Edison), California Department of Water Resources State Water Project (SWP), and Valley Electric filed motions to intervene and comments either in support or not opposing the filing. The Metropolitan Water District of Southern California (Metropolitan) filed a motion to intervene with comments. On November 21, 2012, CAISO filed an answer.

#### **A. Comment and Answer**

6. Metropolitan points out several drafting errors in CAISO's Amended IBAAOA, which it believes have been unintentionally carried over from the previous IBAAOA filed in Docket No. ER08-617-000.<sup>8</sup> In its answer, CAISO agrees to correct the drafting errors noted by Metropolitan in a compliance filing.<sup>9</sup>

7. The errors noted by Metropolitan are in Service Schedules 1, 4, and 5. With respect to revised Service Schedule 1, Metropolitan believes that "Transmission Owner" was erroneously removed from the section regarding the Camino-Mead lines and should therefore be reinserted.<sup>10</sup> Additionally, Metropolitan requests that CAISO be directed to change references from "Gene Pumping Plant" to "Gene 230 kV Switchyard."

8. With respect to revised Service Schedule 4, Metropolitan requests that the phrase "and has operational jurisdiction of" be deleted and that "transmission line" be corrected to "transmission lines" for accuracy.<sup>11</sup>

9. Finally, with respect to revised Service Schedule 5, Metropolitan notes that CAISO has proposed inaccurate language regarding the switching instructions on specific transmission lines; therefore, Metropolitan requests that CAISO revert back to the

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<sup>8</sup> Metropolitan November 13, 2012 Comments (Metropolitan Comments) at 7.

<sup>9</sup> CAISO November 21, 2012 Answer (CAISO Answer) at 1, 4.

<sup>10</sup> Metropolitan Comments at 7-8.

<sup>11</sup> *Id.* at 8-9.

language as written to more accurately reflect the legal, operational and structural characteristics of the transmission grid.<sup>12</sup>

10. In its answer, CAISO requests that the Commission accept the Amended IBAAOA effective January 3, 2013, subject to CAISO's correction on compliance of the drafting errors in Schedules 1, 4, and 5 noted by Metropolitan.

#### **IV. Discussion**

##### **A. Procedural Issues**

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2012), prohibits answers unless otherwise ordered by the decisional authority. We will accept CAISO's answer because it assisted us in our decision-making process.

##### **B. Determination**

12. We find that the Amended IBAAOA between CAISO and Western-DSR is just and reasonable, and conditionally accept it subject to CAISO making a compliance filing that reflects the changes requested by Metropolitan and agreed to by CAISO. We find that these changes are appropriate and will more accurately reflect the terms of the agreement, as discussed above, and account for the transition of Valley Electric from the Nevada Power balancing authority area to the CAISO balancing authority area. Accordingly, we direct CAISO to file a revised Amended IBAAOA within 30 days of the issuance of this order, with an effective date of January 3, 2013.<sup>13</sup>

#### **The Commission orders:**

(A) The Amended IBAAOA is hereby conditionally accepted for filing, effective January 3, 2013.

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<sup>12</sup> *Id.* at 9.

<sup>13</sup> Please be advised that to the extent that Valley Electric's transition date to the CAISO balancing authority area is other than January 3, 2012, CAISO is directed to make a compliance filing specifying the actual transition date.

(B) CAISO is directed to submit a compliance filing revising the Amended IBAAOA, as discussed in the body of this order, within 30 days of the issuance of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.