

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation	) ) ) ) )	Docket No. RT01-85-000
---	-----------------------	------------------------

MOTION TO INTERVENE AND  
COMMENTS OF INDUSTRIAL CONSUMERS

Industrial Consumers the Electricity Consumers Resource Council (ELCON), the American Iron and Steel Institute (AISI), and the American Forest and Paper Association (AF&PA) urge the Federal Energy Regulatory Commission (FERC) to set an early date for California ISO (CAISO) to submit an RTO compliance filing that conforms to Order 2000.

FERC’s November 1, 2000 Order in San Diego Gas & Electric, 93 FERC

¶ 61,121 (2000), expressed the urgent need for California to join a regional RTO:

California is physically integrated into an extensive interstate transmission grid and has therefore been part of a western electricity market for a long time. California’s markets will never realize optimal performance until the impediments to efficient utilization of the regional transmission grid are eliminated and the regional interstate transmission system is designed in such a way that it supports transparent, competitive Western bulk power markets - - markets that support all of the wholesale products that California requires, markets that remove impediments to efficient imports and exports, markets that eliminate rate pancaking and allow California to access more distant markets at a lower cost, markets that undertake regional transmission planning to ensure that the needs of California are considered when transmission expansions in other states are considered,

and markets that allow regional market hubs like Palo Verde to develop where new generation can be located to serve multi-state markets. The Commission's RTO initiative is a response to fundamental changes in the electricity industry over the last 20 years. When fully implemented, RTOs will provide for operation and planning that will ensure consumer benefits for Californians and the citizens of other Western states. The problems being confronted in California can, in many ways, be traced to the continued balkanization of the Western grid and the absence of a true RTO with regional scope. The actions we have taken in this order are fully consistent with Order No. 2000, and nothing in this order relieves the ISO, PG&E, SoCal Edison or SDG&E from their obligation to make a filing in compliance with Order No. 2000 on January 17, 2001. We expect that the matters addressed in this order will move the California market toward meeting the significant objectives of Order No. 2000 and that these long-term market reforms will facilitate California's transformation into a properly sized and functioning RTO.

Nevertheless, on January 17, 2001 CAISO submitted a perfunctory six-page letter to FERC that does not purport to be a compliance filing. It is not worthwhile for the Commission or for Intervenors to comment on this letter, which is grossly deficient.

Industrial Consumers urge FERC to impose a new and early deadline on CAISO to join RTO West and DesertStar in working toward a Western RTO compliance filing that conforms to Order 2000.

#### DESCRIPTION OF INTERVENORS

The Electricity Consumers Resource Council (ELCON) is an association of industrial consumers of electricity organized to promote the development of coordinated and rational federal and state policies that will assure an adequate, reliable and efficient electricity supply for all users at competitive rates. ELCON member companies produce a wide range of products, including: steel, aluminum, chemicals, petroleum, motor vehicles, industrial gases, machinery, glass, agricultural and food products, rubber, computer chips, paper and electronics.

The member companies of ELCON consume approximately five percent of all electricity in the United States.

The American Iron and Steel Institute (AISI) is the principal trade association of the North American steel industry. Its member companies account for about seventy percent of the raw steel production in the United States. The steel industry is one of the most energy-intensive sectors in the United States; the cost of electricity for AISI members may constitute as much as twenty percent of the manufacturing cost of a steel mill product.

The American Forest & Paper Association (AF&PA) is the trade association of the forest, pulp, paper, paperboard, and wood products industry in the United States. It represents member companies engaged in growing, harvesting, and processing wood and wood fiber, manufacturing pulp, paper, and paperboard products from both virgin and recycled fiber, and producing engineered and traditional wood products. AF&PA members include manufacturers of over 80 percent of the paper, wood, and forest products produced in the United States and the members include small non-industrial private landowners, large multiproduct producers, and family-run mills. As such, AF&PA is the leading voice of the forestry, wood, and paper industries in the United States. AF&PA's members are among the nation's largest consumers of electric power, purchasing over 82 billion kilowatt-hours of electricity annually nationwide.

Industrial Consumers have standing to intervene because their members have facilities in California ISO's service territory and are directly affected by the filing.

NOTICES AND COMMUNICATIONS

Notices and communications should be addressed to:

Dr. John Anderson  
Executive Director  
The Electricity Consumers Resource Council  
1333 H Street, N.W.  
The West Tower, 8th Floor  
Washington, D.C. 20005

David Friedman  
Director, Energy and Technology  
American Forest & Paper Association  
1111 19<sup>th</sup> Street, N.W.  
Suite 800  
Washington, D.C. 20036

Sara D. Schotland, Esq.  
Cleary, Gottlieb, Steen & Hamilton  
2000 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

Respectfully submitted,

---

Sara D. Schotland  
CLEARY, GOTTLIEB, STEEN &  
HAMILTON  
2000 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006-1801  
202-974-1500

Dated: February 22, 2001

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Motion to Intervene and Comments of Industrial Consumers were today mailed to parties on the service list of this proceeding by U.S. mail, postage prepaid.

Dated at Washington, D.C., this 22<sup>nd</sup> day of February, 2001.

---

Kari Vander Stoep  
Law Clerk  
Cleary, Gottlieb, Steen & Hamilton  
2000 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006-1801  
(202) 974-1500