
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

NEWS MEDIA CONTACT:

Barbara A. Connors
(202) 208-0680

FOR IMMEDIATE RELEASE

November 7, 2001
Docket Nos. ER01-3013-000 and
ER01-889-000

COMMISSION TAKES ACTION TO ENSURE AVAILABILITY OF POWER IN CALIFORNIA

The Federal Energy Regulatory Commission today acted to ensure timely payment of the California Independent System Operator's (ISO) energy suppliers and thus, prevent difficulties for the ISO in obtaining future supplies.

A well-functioning marketplace requires that a prompt settlement process be in place to match market transactions and ensure prompt payment for those transactions, the Commission said.

In rejecting the ISO's so-called Amendment No. 40, the Commission noted that it has issued several orders this year directing the ISO to abide by its tariff provisions. The Commission has held that the ISO Tariff prevents it from entering into transactions with third-party suppliers on behalf of a non-creditworthy entity, absent credit support from another party. The Commission has made clear in its previous orders that a lowering of the financial creditworthiness standard without some assurance of payment for third-party sales would further increase prices paid by consumers.

The Commission directed the ISO to enforce its billing and settlement procedures.

It said the ISO must invoice the California Department of Water Resources (DWR) for all ISO transactions it entered into on behalf of Southern California Edison and Pacific Gas & Electric Company within 15 days of the date of today's order.

The ISO has 15 days to file a report with the Commission indicating overdue amounts from the DWR and a schedule for payment within three months.