

DEPARTMENT OF ENERGY

Notice of Issuance of Emergency Orders Under Section 202(c) of the Federal Power Act

AGENCY: U.S. Department of Energy.

ACTION: Notice of issuance of emergency orders.

SUMMARY: The Department of Energy (DOE) is publishing an emergency order, and a subsequent amendment to the order, that the Secretary of Energy has issued pursuant to section 202(c) of the Federal Power Act to address a shortage of electric energy in California.

FOR FURTHER INFORMATION CONTACT: Paul Carrier, Office of Energy Emergencies, Office of Policy, U.S. Department of Energy, 1000 Independence Avenue, S.W., PO-5, Washington, D.C. 20585, (202) 586-5659, e-mail: Paul.Carrier@hq.doe.gov.

SUPPLEMENTARY INFORMATION: On December 14, 2000, the Secretary of Energy issued an emergency order pursuant to section 202(c) of the Federal Power Act (16 U.S.C. 824(c)) to require specified entities to deliver electric energy and services to the California Independent System Operator (California ISO), upon receipt of a certification from the California ISO that it has, or reasonably anticipates, an "inadequate fuel or energy supply" as defined in 10 CFR 205.375. The Secretary determined that an emergency existed because of a shortage of currently operational electric generation facilities, a shortage of water used to generate electricity, unusual volatility of electricity and natural gas markets, and other reasons.

Under the order, the California ISO must, to the extent feasible, allocate the requests in proportion to the amount of each entity's available power. The terms of each arrangement made between the entities subject to the order and the California ISO are to be as agreed to by the parties. If no agreement as to terms can be reached, the Secretary of Energy will immediately prescribe the conditions of service and refer the rate issue to the Federal Energy Regulatory Commission for a determination at a later date by that agency in accordance with its standards and procedures, and will prescribe by supplemental order such rates as it finds to be just and reasonable.

The order was to remain in effect until 3:00 a.m., EST, on December 21, 2000, unless modified. On December 20, 2000, the Secretary of Energy issued an amended order extending the emergency order until 3:00 a.m., EST, on December 28, 2000, and making

some additional changes to the original order.

The full texts of the December 14, 2000, emergency order and the December 20, 2000, amendment are set forth as appendices to this notice.

Issued in Washington, D.C., on December 22, 2000.

Mark Schwartz,

Deputy General Counsel for Energy Policy.

The full text of the Secretary of Energy's December 14, 2000, emergency order is follows:

December 14, 2000.

Order Pursuant to Section 202(c) of the Federal Power Act

Pursuant to Section 202(c) of the Federal Power Act (16 U.S.C. 824a(c)) and 10 CFR 205.370, in this order I consider the question of whether an emergency exists in California by reason of a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, and whether to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as will best meet the emergency and serve the public interest. Because of a shortage of currently operational electric generation facilities, a shortage of water used to generate electricity, unusual volatility of electricity and natural gas markets, and for other reasons, California is experiencing an unexpected shortage of electric energy. Therefore, pursuant to Section 202(c) of the Federal Power Act, I find an emergency exists in California by reason of the shortage of electric energy.

Accordingly, I hereby order the entities listed in Attachment A to make arrangements to generate, deliver, interchange, and transmit electric energy when, as, and in such amounts as may be requested by the California Independent System Operator (California ISO), acting as agent for and on behalf of Scheduling Coordinators (as that term is defined in the California ISO tariff on file at the Federal Energy Regulatory Commission), consistent with the terms of this order. The entities listed in Attachment A are only required to sell electricity to the California ISO that is available in excess of electricity needed by each entity to render service to its firm customers.

This order is effective immediately and expires at 3:00 a.m., EST, December 21, 2000, unless altered or revoked by further order. However, the entities in Attachment A are not required to deliver energy or services under the terms of this order until 12 hours after

the California ISO has filed with the Department of Energy (DOE) a signed certification that it has been unable to acquire in the market adequate supplies of electricity to meet system demand, and, as a consequence, it has, or reasonably anticipates, an "inadequate fuel or energy supply" as defined in 10 CFR 205.375. In order to continue to avail itself of this order, the California ISO is required to submit to DOE a further certification as set forth in the preceding sentence every twenty-four hours until the expiration of the order. The California ISO shall provide a signed copy of all certifications to the entities in Attachment A at the time it provides them to DOE.

The California ISO must inform each entity subject to this order of the amount and type of energy or services requested by 9:00 p.m., EST, the day before the requested service. In making requests for power pursuant to this order, to the extent feasible, the California ISO is directed to allocate those requests among the entities listed in Attachment A in proportion to each entity's available excess power.

The terms of any arrangement made between the entities subject to this order and the California ISO pursuant to this order are to be as agreed to by the parties. If no agreement as to terms can be reached, I will immediately prescribe the conditions of service and refer the rate issue to the Federal Energy Regulatory Commission for a determination at a later date by that agency in accordance with its standards and procedures, and will prescribe by supplemental order such rates as it finds to be just and reasonable.

Order

For the reasons set forth above, pursuant to Section 202(c) of the Federal Power Act, it is ordered that:

A. Consistent with the requirements set forth below, the entities listed on Attachment A will make arrangements to generate, deliver, interchange, and transmit electric energy when, as, and in such amounts as may be requested by the California Independent System Operator (California ISO), acting as agent for and on behalf of Scheduling Coordinators (as that term is defined in the California ISO tariff on file at the Federal Energy Regulatory Commission).

B. The entities listed in Attachment A are only required under the terms of this order to sell electricity to the ISO that is available in excess of electricity needed by each entity to render service to its firm customers.

C. This order is effective immediately and expires at 3:00 a.m., EST, December

21, 2000, unless altered or revoked by further order.

D. The entities in Attachment A are not required to deliver energy or services under the terms of this order until 12 hours after the California ISO has filed with the Department of Energy (DOE) a signed certification that it has been unable to acquire in the market adequate supplies of electricity to meet system demand, and, as a consequence, it has, or reasonably anticipates, an "inadequate fuel or energy supply" as defined in 10 CFR 205.375. In order to continue to avail itself of this order, the California ISO is required to submit to DOE a further certification as set forth in the preceding sentence every twenty-four hours until the expiration of the order. This certification should be submitted to Paul Carrier, Department of Energy, Office of Energy Emergencies, Office of Policy, PO-5, 1000 Independence Avenue, S. W., Washington, D.C. 20585, (202) 586-5659, fax: (202) 586-5391, e-mail: Paul.Carrier@hq.doe.gov. The California ISO shall provide a copy of all certifications to the entities in Attachment A at the time it provides them to DOE.

E. The California ISO must inform each entity subject to this order of the amount and type of energy or services requested by 9:00 p.m., EST, the day before the requested service. In making requests for power pursuant to this order, to the extent feasible, the California ISO is directed to allocate those requests among the entities listed in Attachment A in proportion to each entity's available excess power.

F. The terms of any arrangement made between the entities subject to this order and the California ISO pursuant to this order are to be as agreed to by the parties. If no agreement as to terms can be reached, I will immediately prescribe the conditions of service and refer the rate issue to the Federal Energy Regulatory Commission for a determination at a later date by that agency in accordance with its standards and procedures, and will prescribe by supplemental order such rates as it finds to be just and reasonable.

Issued in Washington, DC, on December 14, 2000.

Bill Richardson,
Secretary.

The following entities are listed in Attachment A to the order (not reproduced in full here):

American Electric Power Services,
Houston, TX.
Aquila Power Corporation, Kansas
City, MO.
Arizona Electric Power Cooperative.

Arizona Public Service Company,
Phoenix, AZ.
Automated Power Exchange, Inc.,
Santa Clara, CA.
Avista Energy, Spokane, WA.
Bonneville Power Administration.
California Department of Water
Resources.
California Polar Brokers, LLC, San
Francisco, CA.
California Power Exchange,
Alhambra, CA.
Cargill-Alliant, LLC, Minnetonka,
MN.
Citizens Power Sales, Boston, MA.
City of Anaheim, CA.
City of Azusa, CA.
City of Banning, CA.
City of Burbank, CA.
City of Glendale, CA.
City of Pasadena, CA.
City of Riverside, CA.
City of Seattle, WA.
City of Shasta Lake, CA.
City of Vernon, CA.
Colorado River Storage Project, CO.
Constellation Power Source,
Baltimore, MD.
Coral Power, L.L.C., San Diego, CA.
Duke Energy Trading & Marketing,
L.L.C., Salt Lake City, UT.
Dynege Power Marketing Inc.,
Houston, TX.
Edison Mission Marketing & Trading,
Inc., Irvine, CA.
Edison Source, City of Industry, CA.
El Paso Electric Company, El Paso,
TX.
El Paso Merchant Energy, Houston,
TX.
Enron Energy Services, Houston, TX.
Enron Power Marketing, Inc.,
Portland, OR.
FPL Energy Power Marketing, Inc.,
North Palm Beach, FL.
Grant County Public Utility District,
Ephrata, WA.
Hafslund Energy Trading, Seattle,
WA.
Idaho Power Company, Boise, ID.
Illinova Energy Partners, Inc., Oak
Brook, IL.
Koch Energy Trading, Inc., Houston,
TX.
LA Department of Water & Power, Los
Angeles, CA.
LG & E Energy Marketing, Inc.,
Louisville, KY.
Merchants Energy Group of the
Americas, Annapolis, MD.
Mieco, Inc., Long Beach, CA.
Modesto Irrigation District, CA.
Nevada Power Company, Las Vegas,
NV.
New Energy, Inc., Boston, MA.
Northern California Power Agency,
Roseville, CA.
PacifiCorp, Portland, OR.
PacifiCorp Power Marketing, Inc.,
Portland, OR.

PECO, King of Prussia, PA.
PG & E, San Francisco, CA.
PG & E Energy Trading, Bethesda,
MD.
Portland General Electric Company,
Portland, OR.
Power Resource Managers, L.L.C.,
Bellevue, WA.
PP & L Montana, Butte, MT.
Public Service Company of Colorado,
Denver, CO.
Public Service Company of New
Mexico, Albuquerque, NM.
Public Utility District No. 1 of
Douglas County, E. Wenatchee, WA.
Puget Sound Energy, Bellevue, WA.
Reliant Energy Services, Houston, TX.
Sacramento Municipal Utilities, CA.
Salt River Project, Phoenix, AZ.
San Diego Gas & Electric, CA.
Sempra Energy Trading, Stamford,
CT.
Sierra Pacific Power Company, Reno,
NV.
Silicon Valley Power, Santa Clara,
CA.
Southern California Edison,
Rosemead, CA.
Southern Company Energy Marketing,
Atlanta, GA.
Strategic Energy, Ltd., Pittsburgh, PA.
Tacoma City Light, WA.
Tucson Electric Power, Tucson, AZ.
Washington Water Power, Spokane,
WA.
Western Area Lower Colorado,
Phoenix, AZ.
Western Area Power Administration.
Williams Energy Marketing and
Trading, Tulsa, OK.

The full text of the Secretary's
December 20, 2000, emergency order is
follows:

December 20, 2000.

Amended Order Pursuant to Section 202(c) of the Federal Power Act

On December 14, 2000, pursuant to
Section 202(c) of the Federal Power Act
(16 U.S.C. 824a(c)) and 10 CFR 205.370,
because of a shortage of currently
operational electric generation facilities,
a shortage of water used to generate
electricity, unusual volatility of
electricity and natural gas markets, and
for other reasons, I determined that
California was experiencing an
unexpected shortage of electric energy.
Therefore, pursuant to Section 202(c) of
the Federal Power Act, I found an
emergency existed in California by
reason of the shortage of electric energy,
and issued an order requiring entities
listed in the order to make arrangements
to generate, deliver, interchange, and
transmit electric energy when, as, and in
such amounts as may be requested by
the California Independent System
Operator (California ISO).