

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

California Independent System )  
Operator Corporation )

Docket No. ER23-2510-\_\_\_\_

**PETITION FOR LIMITED TARIFF WAIVER OF THE CALIFORNIA  
INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO) respectfully requests a temporary suspension of the effective date or limited waiver<sup>1</sup> of certain tariff revisions accepted in the order issued in this proceeding on October 30, 2023.<sup>2</sup> Specifically, the CAISO requests waiver to extend the effective date of tariff provisions to allow for resale or assignment of monthly Wheeling Through Priority set forth in tariff section 23.8 and related sub-sections.<sup>3</sup> Out of an abundance of caution, the CAISO requests an extension of the effective date for these tariff provisions until no later than December 17, 2024, subject to the CAISO providing notice of the actual effective date once it completes testing of its systems to accommodate resale or assignment of monthly Wheeling Through Priority.

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<sup>1</sup> The CAISO files this petition for limited waiver pursuant to Rule 207 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.207. Capitalized terms not otherwise defined herein have the meanings set forth in the CAISO tariff.

<sup>2</sup> *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,085 (2023).

<sup>3</sup> Pursuant to the Commission's October 30, 2023 order, tariff section 23.8 and related subsections 23.8.1, 23.8.2 and 23.8.3 took effect on November 1, 2023. The CAISO only started awarding monthly Wheeling Through Priority in January 2024 for June 2024 and future months. The CAISO has received no requests from scheduling coordinator to resell or assign this monthly Wheeling Through Priority. Section 23.8.3 similarly allows for resale or transfer of an Existing Transmission Contract (ETC) or Transmission Ownership Right (TOR) to support a wheeling through transaction if permitted under an underlying contract and such sale or transfer is supported by any applicable Transmission Rights and Transmission Curtailment Instructions. The CAISO has received no such request from an ETC or TOR rights holder.

For the reasons explained below, good cause exists to extend the effective date of tariff section 23.8 and related sub-sections. This extension will allow the CAISO to continue to test and evaluate the operation of software changes necessary to accommodate the resale or assignment of monthly Wheeling Through Priority from one scheduling coordinator to another scheduling coordinator. The CAISO is working to automate this feature as soon as possible and therefore requests the Commission allow the CAISO the flexibility to submit a subsequent filing in this proceeding within five business days after the actual implementation date, not to extend beyond December 17, 2024, that provides notice of the effective date associated with tariff section 23.8 and related sub-sections. The CAISO will further coordinate with interested market participants through its release user group to ensure advance notice of the effective date.

As of the date of this filing, no scheduling coordinator has informed the CAISO of the need to resell or assign monthly Wheeling Through Priority awarded for the months of June, July, August or September 2024. No scheduling coordinator has requested monthly Wheeling Through Priority for the months of October, November or December 2024.

## **I. Background**

On July 28, 2023, the CAISO filed tariff revisions to implement a framework for external load serving entities and suppliers serving them to obtain in advance, on a monthly and daily basis, Wheeling Through self-schedule priorities equal to the scheduling priority of CAISO demand, as well as related updates to the CAISO's calculation of Available Transfer Capability (ATC). In an order issued on October 30,

2023, the Commission accepted the CAISO's tariff revisions to implement the Wheeling Through Priority framework, including the resale and assignment provisions.<sup>4</sup>

The CAISO's tariff revisions allow holders of a monthly Wheeling Through Priority to resell the priority for the month or remainder of the month or term of the priority. These tariff revisions recognize that the ability to resell or assign monthly Wheeling Through Priority will give scheduling coordinators more flexibility and enable a liquid market for such resales and assignments. The CAISO tariff also provides that scheduling coordinators must attest to the reason for the resale or assignments as a means to protect against efforts to avoid the underlying requirements to secure monthly Wheeling Through Priority on the CAISO's system.

Payment to Wheeling Through Priority Resellers for any resale of a Wheeling Through Priority will be at rates established by agreement between the Wheeling Through Priority Reseller and the assignee.<sup>5</sup> The scheduling coordinator for the assignee will receive the same priority as the Wheeling Through Priority Reseller at the same Scheduling Points of import into and export out of the CAISO Balancing Authority Area unless the CAISO has authorized a different export Scheduling Point to receive the Wheeling Through Priority. Under the CAISO tariff, Wheeling Through Priority Resellers remain financially responsible for any wheeling access charges associated with a resold or assigned Wheeling Through Priority for the term of its original Wheeling Through Priority. However, the scheduling coordinator for the assignee will remain subject to all applicable charges, terms, and conditions of the CAISO Tariff.

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<sup>4</sup> *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,085 (2023).

<sup>5</sup> CAISO tariff section 23.8.

The CAISO's work to implement the overall Wheeling Through Priority framework is well underway. The CAISO has administered manual request windows, starting in January of this year, for ATC under its tariff provisions and has awarded monthly Wheeling Through Priority to scheduling coordinators for the months of June, July, August and September 2024. The CAISO is in the process of completing market simulation activities to calculate ATC and automate the process to award monthly Wheeling Through Priority and daily Wheeling Through Priority.

To implement the tariff provisions governing resale or assignment of monthly Wheeling Through Priority through an automated process, the CAISO needs to modify its systems to recognize scheduling coordinators that receive an assignment of a monthly Wheeling Through Priority. In addition, the CAISO needs to modify its settlement system to ensure scheduling coordinators that receive an assignment of a monthly Wheeling Through Priority do not receive a wheeling access charge for use of the Wheeling Through Priority since the Wheeling Through Priority Reseller remains financially liable for that payment. At the same time, these scheduling coordinators may still face wheeling charges for wheeling through transactions that extend beyond the assigned monthly Wheeling Through Priority.<sup>6</sup>

Although work to automate these features is underway, the CAISO requires more time to ensure a successful implementation. At present, the CAISO is finalizing requirements and design documentation for the resale and assignment of monthly Wheeling Through Priority. The CAISO is also working with its external vendor on functionality to incorporate necessary information submitted by Wheeling Through

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<sup>6</sup> Similar rules apply to resales or transfers of capacity directly from an ETC or TOR rights holder to an assignee. See tariff section 23.8.3.

Priority Resellers. Once this work is complete, the CAISO will create and execute test cases for functional, security, performance, and user acceptance testing to confirm coding meets design requirements. The CAISO will provide an opportunity for customers to test the new functionality through a market simulation. Finally, the CAISO will undertake a comprehensive review of the documentation, information, and results to verify readiness and then move software into production. At present, the CAISO anticipates completing these activities in the third quarter of 2024.

## **II. Petition for Limited Waiver**

The CAISO respectfully requests the Commission grant this petition for limited tariff waiver to postpone the effective date of tariff section 23.8 until a date no later than December 17, 2024. The Commission previously has granted requests for tariff waivers where: (1) the applicant acted in good faith; (2) the waiver was of limited scope; (3) the waiver addressed a concrete problem; and (4) the waiver did not have undesirable consequences, such as harming third parties.<sup>7</sup> This waiver petition meets all four conditions.

Since filing tariff revisions in July of 2023, the CAISO has worked to implement a framework for external load serving entities and suppliers serving them to obtain in advance, on a monthly and daily basis, Wheeling Through self-schedule priorities equal to the scheduling priority of CAISO demand. The majority of the CAISO's design for this

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<sup>7</sup> See, e.g., *Cal. Indep. Sys. Operator Corp.*, 173 FERC ¶ 61,185, at P 6 (2020); *Cal. Indep. Sys. Operator Corp.*, 158 FERC ¶ 61,072, at P 5 (2017); *N.Y. Indep. Sys. Operator, Inc.*, 146 FERC ¶ 61,061, at P 19 (2014); *PJM Interconnection, L.L.C.*, 146 FERC ¶ 61,041, at P 5 (2014); *ISO New England, Inc.*, 134 FERC ¶ 61,182, at P 8 (2011).

framework will be automated in advance of June 1, 2024, and the CAISO has already administered request windows and awarded monthly Wheeling Through Priority for the summer months of 2024. Recently, the CAISO determined it will not be ready to automate the resale and assignment provisions for monthly Wheeling Through Priority until the third quarter of 2024. For this reason, it is submitting this petition for limited waiver now.

The waiver requested through this petition is of limited scope. It will apply for only several months. The CAISO expects it will implement the resale and assignment provisions of tariff section 23.8 and related sub-sections in the third quarter of 2024. However, out of an abundance of caution, the CAISO requests this waiver until no later than December 17, 2024, subject to the CAISO providing notice of actual effective date of CAISO tariff section 23.8 upon completion of testing its systems. In addition, the waiver only extends to the resale and assignment provisions of the CAISO's framework for external load serving entities and suppliers to obtain in advance Wheeling Through self-schedule priorities equal to the scheduling priority of CAISO demand. The CAISO will automate the remainder of this framework before June 1, 2024.

The waiver also will remedy the concrete problem that challenges and delays in implementation work mean the CAISO needs more time to automate the resale and assignment provisions of its Wheeling Through Priority design. The Commission has previously recognized it is reasonable to postpone the effectiveness of tariff revisions where, as in this proceeding, it is infeasible to implement the tariff revisions on their

intended effective date because the CAISO cannot properly deploy the software until a later date.<sup>8</sup>

Finally, the CAISO believes waiver will not have undesirable consequences. No scheduling coordinator that has received a monthly Wheeling Through Priority for the months of June, July, August or September 2024 has informed the CAISO of the need to resale or assign its monthly Wheeling Through Priority.<sup>9</sup> If such a need arises because of unforeseen circumstances before the applicable month, these scheduling coordinators may, subject to applicable notice requirements, release their monthly Wheeling through Priority without charge.<sup>10</sup> Additionally, scheduling coordinators may apply their monthly Wheeling Through Priority to a replacement contract and receive scheduling priority equal to the scheduling priority of CAISO demand.<sup>11</sup> Additionally, no scheduling coordinator has requested monthly Wheeling Through Priority for the months of October, November, or December 2024. Therefore, granting additional time through December 17 2024, to address any remaining unforeseen implementation issues, should not adversely impact scheduling coordinators.

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<sup>8</sup> See, e.g., *Cal. Indep. Sys. Operator Corp.*, 176 FERC ¶ 61,054, at P 6 (2021); *Cal. Indep. Sys. Operator Corp.*, 165 FERC ¶ 61,038, at P 5 (2018).

<sup>9</sup> Likewise, the CAISO has received no such request from an ETC or TOR rights holder.

<sup>10</sup> See CAISO tariff section 23.2.3.

<sup>11</sup> *Id.*

### III. Conclusion

For the foregoing reasons, the Commission should find good cause exists to postpone the effective date of tariff section 23.8 relating to resale and assignment of monthly Wheeling Through Priority to no later than December 17, 2024, subject to the CAISO submitting a subsequent filing within five business days after the actual implementation date to specify the effective date of the tariff section 23.8 and related subsections.

Respectfully submitted,

**/s/ Andrew Ulmer**

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Dated: April 12, 2024



## **CERTIFICATE OF SERVICE**

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 12th day of April, 2024.

*/s/ Jacqueline Meredith*

Jacqueline Meredith  
An employee of the California ISO