



December 15, 2023

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER22-906-____
Quarterly Informational Report Regarding Transmission
Service and Market Scheduling Priorities Stakeholder Process**

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO) hereby submits its quarterly report regarding the CAISO's Transmission Service and Market Scheduling Priorities stakeholder initiative as directed by the Commission's March 15, 2022 Order in the above-referenced docket.

Please contact the undersigned with any questions.

Respectfully submitted,

By: /s/ Andrew Ulmer

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California ISO

**Quarterly Informational Report (Docket No. ER22-906)
Status of Transmission Service and Market Scheduling
Priorities Stakeholder Process**

December 15, 2023

On March 15, 2022, the Federal Energy Regulatory Commission (Commission) issued an order¹ extending until June 1, 2024 the California Independent System Operator Corporation's (CAISO) tariff provisions regarding the scheduling priorities for wheeling through transactions. The Commission initially approved such tariff provisions on an interim basis -- until June 1, 2022 -- in an order issued on June 25, 2021 in Docket No. ER21-1790.² In its March 15, 2022 Order, the Commission also directed the CAISO to file quarterly informational reports to update the Commission on the CAISO's efforts toward developing successor rules delineating rights for wheeling through transactions across the CAISO grid. The Commission stated that the CAISO must file the reports beginning three months after the March 15 Order and every three months thereafter until the CAISO files a long-term solution with the Commission. The Commission also stated that such reports should describe any long-term alternative solutions under consideration in the stakeholder process, explain any potential impediments to implementing any particular solution, and provide an updated schedule for finalizing a proposal. This is the CAISO's seventh report to the Commission.

Transmission Service and Market Scheduling Priorities Stakeholder Process

On July 28, 2023, the CAISO filed tariff revisions arising from Phase 2, Track 1 of its Transmission Service and Market Scheduling Priorities stakeholder process (July 28 Filing). The tariff revisions would (1) implement a durable 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, and (2) update the CAISO's calculation of Available Transfer Capability (ATC). The proposed tariff revisions would replace the interim Wheeling Through tariff provisions that expire June 1, 2024. On October 30, 2023, the Commission issued an order accepting the CAISO's tariff revisions in the July 28 Filing to implement a framework for external entities to obtain, in advance, on a monthly and daily basis, wheeling through scheduling priorities equal to the scheduling priority of CAISO demand (wheeling through priority), as well as related updates to CAISO's calculation of Available Transfer Capability (ATC).³ Subsequently, on November 29, 2023, the CAISO submitted a compliance filing as directed by the Commission's October 30, 2023 Order.

The CAISO is working to develop systems and processes necessary to implement the approved tariff revisions for the upcoming summer and supporting establishment of wheeling through priority for June 2024 and beyond. Aside from in-house systems development, the CAISO is also working with a vendor to support a new platform for receiving and processing requests for ATC to help establish wheeling through priority. The CAISO is targeting release of these new systems into production in early April 2024, in time

¹ *Cal. Indep. Sys. Operator Corp.*, 178 FERC ¶ 61,181 (2022) (March 15 Order).

² *Cal. Indep. Sys. Operator Corp.*, 175 FERC ¶ 61, 245 (2021). This order approved a tariff amendment filed by the CAISO on April 28, 2021 (April 28 Tariff Amendment).

³ *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,085 (2023) (October 30, 2023 Order)

for the opening of the April window to request monthly ATC for June 2024 and beyond. We will continue to communicate implementation activities and timelines with stakeholders as we approach the release of the functionality into production.

The CAISO recognizes that load serving entities across the West have made, or are in the process of making, supply arrangements for summer 2024 and the ability to establish wheeling through priority across the CAISO system may be a factor in those efforts. To support these efforts, the CAISO is developing an approach to manually calculate and post ATC values for June 2024 and beyond as early as January 2024. The posting of the ATC values on different interties will provide external load serving entities with important information when considering establishing wheeling through priority across the CAISO system. Similarly, the CAISO will strive to manually receive and process requests for the priority wheeling through ATC in January, after the publication of the ATC values. The ability to reserve ATC in advance and establish wheeling through priority for June 2024 and beyond will help enhance reliability planning for next summer.

Track 2 of Phase 2 of the Transmission Service and Market Scheduling Priorities stakeholder process is nearing its conclusion. In Track 2 of Phase 2, the CAISO is developing a new process whereby entities seeking to establish wheeling through scheduling priority in annual increments, for one year or longer, commencing beyond the 13-month rolling horizon in which the CAISO proposes to calculate ATC pursuant to the July 28 Filing can submit a request for a study. The CAISO will study such requests in a cluster with other like requests and generator interconnection requests, leveraging the deliverability processes under the Generator Interconnection and Deliverability Allocation Procedures (GIDAP).⁴ If a transmission upgrade is needed to accommodate service, the entity submitting the request would be able to fund the transmission upgrade and receive a wheeling through scheduling priority equal to load on a long-term basis. The CAISO currently does not have any such framework for seeking a long-term wheeling through priority or funding upgrades for long-term wheeling through priority.

The CAISO posted draft tariff language for Track 2 on July 14, 2023, and held a meeting with stakeholders to discuss the draft tariff language on August 28, 2023. The CAISO also provided an opportunity for stakeholders to submit written comments on the draft tariff language. On October 5, 2023, the CAISO posted updated draft tariff language informed by stakeholder comments and held a meeting to discuss the revised draft tariff language on November 13, 2023. The CAISO is targeting publication of final draft tariff language this month and a subsequent filing within the Commission within the first quarter of 2024. Previously, the CAISO proposed to make this filing on or about January 9, 2024. The CAISO is now targeting this filing later in the first quarter of 2024 to allow for greater coordination with its interconnection study processes.

⁴ CAISO Business Practice Manual, *Generator Interconnection and Deliverability Allocation Procedures*, 2022.

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the above-referenced proceeding, 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 15th day of December, 2023.

/s/ Jacqueline Meredith
Jacqueline Meredith