

186 FERC ¶ 61,105
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

February 15, 2024

In Reply Refer To:
California Independent System Operator
Corporation
Docket No. ER24-494-000

California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Attention: David S. Zlotlow

Dear Mr. Zlotlow:

1. On November 29, 2023, the California Independent System Operator Corporation (CAISO) submitted, pursuant to Rule 207 of the Commission's Rules of Practice and Procedure¹ and section 37.9.4 of CAISO's Open Access Transmission Tariff (Tariff), a Petition seeking Commission approval to distribute the penalty proceeds collected for violations of CAISO's Rules of Conduct by Tenaska Power Services Co., (Tenaska) in its role as scheduling coordinator for Blue Lake Power, LLC (Blue Lake). As discussed below, we grant CAISO's Petition.

2. CAISO explains that the Rules of Conduct and related provisions set forth in section 37 of its Tariff require it to collect penalties and to deposit such amounts into an interest-bearing trust account. CAISO states that, after the end of each calendar year, it allocates these proceeds, with accrued interest, to the scheduling coordinators of eligible market participants in accordance with the formula set forth in section 37.9.4 of its Tariff. CAISO states that the formula is based on the product of: (a) the amount in the trust account, including interest; and (b) the ratio of the grid management charge payments by each scheduling coordinator on behalf of eligible market participants to the total grid management charge payments by all scheduling coordinators.² Further, CAISO explains

¹ 18 C.F.R. § 385.207 (2023).

² CAISO Petition at 2.

that it must obtain the Commission's approval to distribute the penalty proceeds prior to any disbursement.³

3. In the instant Petition, CAISO seeks approval to distribute the proceeds from a penalty that was assessed against Tenaska in its role as Blue Lake's scheduling coordinator during the 2020 calendar year, plus accrued interest. CAISO explains that the penalty was assessed under section 37.6.1 of the Tariff, which imposes a \$500/day penalty for each day Tariff-required information is submitted late, and that Blue Lake was 33 days late in restoring telemetry on its generating resource.⁴ CAISO states that Blue Lake paid the penalty and then appealed to the Commission on March 19, 2021, in Docket No. ER21-1492-000.⁵ When CAISO filed a petition with the Commission seeking approval to distribute the penalty proceeds for 2020 in Docket No. ER21-2040-000, it noted the proposed allocation did not include Blue Lake's penalty because the appeal was still pending.⁶ On November 3, 2023, the Commission denied Blue Lake's requested relief,⁷ and CAISO subsequently filed the instant Petition. In Attachment A of the Petition, CAISO sets forth the calculation of the penalty proceeds.⁸ CAISO states that it assessed \$16,500 in penalties for 2020 against Tenaska in its role as Blue Lake's scheduling coordinator.

4. Notice of CAISO's filing was published in the *Federal Register*, 88 Fed. Reg. 84,314 (Dec. 5, 2023), with interventions and protests due on or before December 20, 2023. None was filed.

5. We find that CAISO's proposal to distribute penalty proceeds to scheduling coordinators, as set forth in Attachment A to its Petition, appears to be just and

³ *Id.* (citing CAISO, CAISO eTariff, § 37.9.4 Disposition of Proceeds (1.0.0)).

⁴ *Id.* at 3.

⁵ Neither Tenaska nor Blue Lake sought to toll the penalty pursuant to CAISO Tariff section 37.8.10. *Id.* at 3 n.3.

⁶ Petition of the California Independent System Operator Corporation for Approval of Disposition of Penalty Assessments Proceeds and Non-Refundable Interconnection Financial Security, Docket No. ER21-2040-000, at 4 n.8 (filed May 28, 2021).

⁷ *Blue Lake Power, LLC*, 185 FERC ¶ 61,100 (2023). Blue Lake's request for rehearing was denied by operation of law. *Blue Lake Power, LLC*, 186 FERC ¶ 62,001 (2024).

⁸ Petition at 4.

reasonable, and has not been shown to be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. The methodology in CAISO's proposal is consistent with the relevant provisions in its Tariff for allocating and distributing penalty proceeds to scheduling coordinators. Therefore, in accordance with section 37.9 of CAISO's Tariff and consistent with prior Commission orders,⁹ we grant CAISO's Petition to distribute penalty proceeds in accordance with Attachment A, subject to CAISO's final interest calculation.

By direction of the Commission.

Debbie-Anne A. Reese,
Acting Secretary.

⁹ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 181 FERC ¶ 61,199 (2022); *Cal. Indep. Sys. Operator Corp.*, 170 FERC ¶ 61,184 (2020); *Cal. Indep. Sys. Operator Corp.*, 157 FERC ¶ 61,220 (2016); *Cal. Indep. Sys. Operator Corp.*, 151 FERC ¶ 61,099 (2015).