

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

<b>Cometa Energia, S.A. de C.V.,</b>	)	
<i>/o/b/o.,</i>	)	
<b>Energia Azteca X, S. de R.L. de C.V.,</b>	)	
<b><i>Complainant</i></b>	)	<b>Docket No. EL24-92-000</b>
	)	
<b>v.</b>	)	
	)	
<b>California Independent System</b>	)	
<b>Operator Corporation,</b>	)	
<b><i>Respondent</i></b>		

**MOTION FOR LEAVE TO ANSWER AND ANSWER OF  
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“CAISO”)<sup>1</sup> hereby submits this Motion for Leave to Answer and Answer to respond to and correct the mischaracterizations advanced by Cometa Energia, S.A. de C.V. (“Saavi” or “Complainant”) in its Motion for Leave to Answer and Answer filed in this proceeding on April 24, 2024.<sup>2</sup>

With this filing, the CAISO addresses Saavi’s erroneous assertions in the interest of ensuring an accurate record to support the Commission’s decision-making in this proceeding. As explained in its April 9, 2024 Answer (“CAISO Answer”) to Saavi’s complaint, Saavi fails to demonstrate that the CAISO has

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the CAISO tariff (“Tariff”). References herein to specific tariff sections are references to sections of the Tariff, including the Generator Interconnection and Deliverability Allocation Procedures (“GIDAP”) incorporated as Appendix DD thereto.

<sup>2</sup> The CAISO submits this answer pursuant to Rules 212 and 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.213 (2022).

administered its Tariff in a manner that is unjust and unreasonable or unduly discriminatory or preferential. As explained here, Saavi misunderstands and thus mischaracterizes how deliverability works in the CAISO, and the facts in this proceeding.

## **I. MOTION FOR LEAVE TO ANSWER**

Saavi's Answer mischaracterizes the CAISO Answer and further misinterprets the Tariff. The CAISO respectfully submits that good cause exists for the Commission to accept this Answer in order to address and correct certain statements in the Saavi Answer. The Commission permits answers to answers where the Commission's consideration of matters addressed in the answer will facilitate the decisional process or aid in the explication of issues.<sup>3</sup> This Answer will facilitate the Commission's decision-making process because it corrects the information put forth in the Saavi Answer, ensuring the Commission has a complete and accurate record in this proceeding.

## **II. ANSWER**

### **A. Saavi Misunderstands and Mischaracterizes Deliverability**

Saavi attempts to downplay how its requested remedy would significantly harm other interconnection customers and load-serving entities. In doing so,

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<sup>3</sup> See *N.Y. State Pub. Serv. Comm'n. v. N.Y. Indep. Sys. Operator, Inc.*, 158 FERC ¶ 61,137, at P 29 (2017) (accepting an otherwise impermissible answer because it "provided information that assisted us in our decision-making process."); *Duke Energy Oakland, LLC*, 102 FERC ¶ 61,093, at P 10 (2003) (finding good cause to accept an otherwise impermissible answer because the answer assisted the Commission in understanding and resolving the issues involved in the proceeding); *Carolina Power & Light Co.*, 97 FERC ¶ 61,048, at 61,278 (2001) (finding good cause to waive Rule 213 when the pleading helped to ensure a complete and accurate record).

Saavi misunderstands how deliverability works and thus misleads the Commission.

First, Saavi states that “[d]eliverability is a non-bundable attribute that is often bought and sold separately on the open market, and it may be available to generators and Load-Serving Entities on that basis.”<sup>4</sup> Nothing in Saavi’s sentence is correct. Deliverability is transmission capacity for a generating facility at a specific point of interconnection to deliver energy to load during peak conditions, based on the CAISO’s deliverability assessment. It is not a severable asset or property right that can be bought and sold. Nor can Load-Serving Entities possess deliverability at all; it is assigned to interconnection customers only. Moreover, the CAISO only allows transfers of deliverability among generating units at the same point of interconnection.<sup>5</sup> Even if developers were to transfer deliverability, their options would be extremely limited by this provision. Portraying deliverability as an easily transferrable asset available on some kind of wide market is inaccurate and misleading. The reality is that if the Commission orders the CAISO to reinstate Saavi’s deliverability, numerous affected generators will not be able to replace it, and the Load Serving Entities relying on those generators for resource adequacy will have to spend significant capital to replace that capacity to meet their Resource Adequacy obligations.

Second, Saavi states that the “CAISO could provide interim deliverability allocations to the generators that would lose a small portion of their deliverability

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<sup>4</sup> Saavi Answer at 10.

<sup>5</sup> Section 8.9.9 of Appendix DD to the CAISO tariff.

as a result of an equitable claw back. In later deliverability allocation rounds, CAISO could then replace this interim deliverability allocation with a permanent deliverability allocation.”<sup>6</sup> Here and elsewhere in its Answer, Saavi seems to misunderstand the relationship between Net Qualifying Capacity and deliverability status, likely what Saavi means where it confusingly refers to “permanent deliverability.” The generators providing resource adequacy in Saavi’s area already have full capacity deliverability status and would retain that status unless, like Saavi, they fail to provide energy for years. They would only lose net qualifying capacity, which would reduce their ability to provide resource adequacy capacity. Saavi confuses these concepts again in its Answer when it alleges, “While Saavi did not learn of the termination of Unit C’s deliverability status until October 2022, it appears that CAISO began terminating Unit C’s deliverability a year after Unit C’s approved disconnection, instead of the three-year period provided in Section 6.1.3.4.”<sup>7</sup> As the CAISO explained in its Answer, the CAISO immediately reduced Saavi’s Net Qualifying Capacity after its disconnection and termination of a Scheduling Coordinator, but Saavi did not lose its deliverability status—which enables it to have a Net Qualifying Capacity—until Saavi had failed to provide energy in the CAISO for three years.<sup>8</sup>

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<sup>6</sup> Saavi Answer at 10.

<sup>7</sup> Saavi Answer at 8.

<sup>8</sup> CAISO Answer at 19 *et seq.* Saavi also alleges that it never received notice, hoping the Commission agrees with Saavi’s tacit premise that Saavi can ignore market notices, the CAISO tariff, and the CAISO business practice manuals, and instead the CAISO must individually notify every generation owner and market participant of any result or potential result of their elections.

Third, Saavi offers no support for its statement that the “CAISO could provide interim deliverability allocations to the generators that would lose a small portion of their deliverability as a result of an equitable claw back. In later deliverability allocation rounds, CAISO could then replace this interim deliverability allocation with a permanent deliverability allocation.”<sup>9</sup> Nor does Saavi explain how “an equitable claw back” would work when there is no additional transmission capacity in that area. The CAISO cannot create interim deliverability—let alone permanent deliverability—by *fiat*. All deliverability is allocated to online generating resources providing resource adequacy. Because there is no additional deliverability available in this transmission area, the CAISO could not allocate interim deliverability. There would be no “equitable claw back” as Saavi alleges. The generators in the area would face significant and lasting reductions in their ability to provide resource adequacy so Saavi can hoard unused deliverability for theoretical future development. As the CAISO explained in its Answer:

Specifically if Unit C’s deliverability status was restored to FCDS, then approximately 40 generating units behind the East of Miguel Area Constraint would be impacted by NQC MW reductions. Each unit would be curtailed in proportion to the size of the unit and its distribution factor on the constraint. A few of the larger units would be curtailed by approximately 25 MW each and the smaller units by a few MWs each of their NQC amounts. The total curtailment would be the equivalent of the 181 MW added by Unit C. There may also be other binding constraints impacting additional generating units. This situation is likely to continue until sometime in the early 2030s when the CAISO anticipates that additional transmission capability will be added that would allow for the full deliverability of existing

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<sup>9</sup> Saavi Answer at 10.

generation along with an additional 181 MW of deliverability previously associated with Saavi's Unit C.<sup>10</sup>

Saavi's Answer provides no basis for any other conclusion, nor rebuts the CAISO's engineering analysis in any way. The Commission should disregard Saavi's imagined mitigation for the extreme and inequitable relief it is requesting. Saavi's Answer only demonstrates that it does not understand how deliverability works, and that the Commission cannot rely upon Saavi's representations.

### III. CONCLUSION

For the foregoing reasons, as well as those presented in the CAISO Answer, the CAISO requests that the Commission deny the Complaint.

Respectfully submitted,

/s/ William H. Weaver

Roger E. Collanton

General Counsel

William H. Weaver

Assistant General Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Tel: (916) 608-7144

Fax: (916) 608-7296

[bweaver@caiso.com](mailto:bweaver@caiso.com)

Counsel for the California Independent  
System Operator Corporation

Dated: May 6, 2024

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<sup>10</sup> CAISO Answer, Sparks Affidavit at PP 13-14.

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the captioned 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 6<sup>th</sup> day of May, 2024.

/s/ Ariana Rebancos

Ariana Rebancos  
An employee of the California ISO