

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

City of Corona, California)	
)	
v.)	Docket No. EL23-99-000
)	
California Independent System)	
Operator Corporation)	

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO COMPLAINT**

The California Independent System Operator Corporation (CAISO) submits its answer to the complaint filed in this proceeding by the City of Corona (Corona) on September 19, 2023.¹ The complaint appeals a tariff-required sanction of \$342,000 related to the late submission of meter data values. The CAISO supports Corona’s request for dismissing the \$342,000 sanction because assessing this sanction is inequitable based on the facts in Corona’s complaint.

I. Answer

Section 37 of the CAISO tariff, referred to as the CAISO’s rules of conduct, establishes a variety of rules for market participant behavior and defines consequences when market participants do not adhere to those rules.² One rule relates to correcting self-reported meter data values after the correction deadline, which is fifty-two business days after the applicable trading day.³ The CAISO

¹ The CAISO files this answer pursuant to Rule 213 of the Federal Energy Regulatory Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213.

² See CAISO tariff section 37.1.2.

³ CAISO tariff section 37.5.2.1.

assesses a sanction of \$1,000 for each trading day with late corrections.⁴ The CAISO does not have discretion as to whether or not to assess this sanction.

Corona asserts that the \$342,000 sanction is excessive. The CAISO agrees. The CAISO's current \$1,000 per trading day sanction can result in disproportionate penalties, particularly in cases such as Corona's that involve relatively minor and inadvertent, but long-lasting metering errors.⁵ In Corona's case, the approximate value of the error as represented by the market adjustment is \$256,861.59.⁶ The penalty thus exceeds the approximate value of the error by a significant degree and represents an excessive penalty given the specific facts of Corona's case. The CAISO opened the Rules of Conduct Enhancements stakeholder initiative in May 2023 to address a variety of rules of conduct issues, including the potential for excessive penalties in circumstances such as those that triggered Corona's penalty.⁷ Until those rule changes are evaluated by the Commission, the CAISO supports relief for parties such as Corona that have established they are exposed to inequitable penalties under the existing tariff rules.

⁴ CAISO tariff sections 37.11.1 & 37.11.2.

⁵ *Cal. Indep. Sys. Operator Corp.*, Request for Waiver, FERC Docket No. ER23-1699-000 (Apr. 24, 2023) (April 2023 Waiver); *Cal. Indep. Sys. Operator Corp.*, Request for Waiver, FERC Docket No. ER21-395-000 (Nov. 12, 2020) (November 2020 Waiver).

⁶ The market adjustment is outlined in CAISO tariff section 37.11.2 and "approximates the financial impact on the market" for cases when the correct data is provided too late to be reflected in the CAISO settlements system.

⁷ Phase 1 of the initiative received joint approval from the CAISO Board of Governors and the Western Energy Imbalance Market Governing Body on September 20, 2023. Information about the stakeholder initiative is available at:

<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Rules-of-conduct-enhancements>

II. Communications

Under Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, the CAISO respectfully requests that service of all pleadings, documents, and all communications regarding this proceeding be addressed to:

David S. Zlotlow
Lead Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7222
Email: dzlotlow@caiso.com

III. Conclusion

The CAISO supports Corona's request to excuse the \$342,000 meter data sanction at issue in this proceeding because Corona has demonstrated the penalty as applied in their circumstances is disproportionate.

/s/ David S. Zlotlow

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
Andrew Ulmer
Assistant General Counsel
David S. Zlotlow
Lead Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Counsel for the California Independent
System Operator

Dated: October 10, 2023

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 10th day of October, 2023.

/s/ Ariana Rebanco

Ariana Rebanco
An employee of the California ISO