

177 FERC ¶ 61,072
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Richard Glick, Chairman;
James P. Danly, Allison Clements,
and Mark C. Christie.

California Independent System Operator Corporation Docket No. ER21-955-002

ORDER GRANTING WAIVER

(Issued October 29, 2021)

1. On September 30, 2021, the California Independent System Operator Corporation (CAISO) filed a petition for a limited waiver of its Open Access Transmission Tariff (Tariff) to postpone the effective date of the Energy Imbalance Market (EIM) Tariff provisions pertaining to the settlement of unaccounted for energy (UFE settlement) and the submission deadline for EIM base schedules, both of which were accepted in the Commission's April 30, 2021 order in this proceeding.¹ Specifically, CAISO seeks to delay the effective date of the Tariff provisions pertaining to the UFE settlement until November 1, 2021. CAISO also seeks to delay the effective date of the Tariff provisions pertaining to the submission deadline until October 1, 2022, subject to the CAISO submitting a subsequent filing within five business days after the actual implementation date of the Tariff provisions. In this order, we grant CAISO's waiver request.

I. Waiver Request

2. CAISO states that it is unable to implement the UFE settlement and submission deadline Tariff revisions by October 1, 2021. CAISO states that it has postponed the implementation of the UFE settlement Tariff provisions until November 1, 2021, due to a

¹ *Cal. Indep. Sys. Operator Corp.*, 175 FERC ¶ 61,096 (2021) (April 30 Order). The April 30 Order addressed two sets of Tariff revisions. The first set of revisions went into effect on May 1, 2021, and are unrelated to this waiver request. The second set of revisions proposed: (1) allowing EIM participants the option to not have CAISO settle UFE within an EIM participant's balancing authority area; and (2) moving the final hourly base schedule submission deadline from 40 minutes to 30 minutes before the start of each hour and running an additional resource sufficiency test 30 minutes before the hour. The April 30 Order accepted CAISO's second set of revisions, effective October 1, 2021, subject to CAISO submitting a subsequent filing five business days after the actual implementation date to specify the effective date associated with those Tariff records.

one-month delay in CAISO's fall 2021 software release. Thus, CAISO requests a limited waiver to postpone the effective date of the UFE settlement Tariff provisions from October 1, 2021, to November 1, 2021.

3. CAISO also states that it has also postponed implementation of the submission deadline Tariff provisions until on or about October 1, 2022, due to the volume of software releases in 2021, the need for sequencing subsequent changes, and the number of activities already planned for the spring of 2022, including the on-boarding of several new EIM entities. CAISO indicates that it anticipates delivery of the software code in the latter part of January 2022; however, it must perform testing and market simulation before moving to the final deployment. CAISO states that on-boarding of the new EIM entities in the spring of 2022 and concurrently introducing the submission deadline Tariff provisions could impact the go-live date of these new EIM entities and, therefore, implementation of those provisions in the spring of 2022 would be problematic. As a result, CAISO is now targeting release of the software supporting the submission deadline Tariff provisions for October 1, 2022. Therefore, CAISO also requests a limited waiver to postpone the effective date of the submission deadline Tariff provisions from October 1, 2021, to October 1, 2022, subject to CAISO submitting a subsequent filing within five business days after the actual implementation date to specify the effective date associated with the Tariff records for the submission deadline Tariff provisions.

4. CAISO contends that its waiver request satisfies the Commission's requirements for granting waiver. CAISO states that it has acted in good faith because it timely notified the Commission after it determined that implementing the UFE settlement and the submission deadline Tariff provisions effective October 1, 2021, is not feasible, for the reasons explained above. CAISO states that the waiver is of limited scope because it is applicable for only one month in the case of the UFE settlement provisions and 12 months in the case of the submission deadline provisions. CAISO explains that the waiver will remedy the concrete problem that CAISO cannot implement the UFE settlement or submission deadline Tariff provisions by October 1, 2021. CAISO also indicates that the waiver will not have undesirable consequences because CAISO will continue to operate under the *status quo* for the limited waiver period and will continue to keep stakeholders informed through its release planning processes.

II. Notice and Responsive Pleadings

5. Notice of CAISO's filing was published in the *Federal Register*, 86 Fed. Reg. 55,595 (Oct. 6, 2021), with interventions and protests due on or before October 12, 2021. None was filed.

III. Discussion

6. We grant CAISO's request for waiver. Specifically, we grant CAISO's request to delay the effective date of the UFE settlement Tariff provisions until November 1, 2021,

as requested. In addition, we grant CAISO's request to delay the effective date of the submission deadline Tariff provisions until October 1, 2022, as requested, subject to CAISO notifying the Commission of the actual effective date of the Tariff provisions within five business days after the actual implementation date. The Commission has granted waiver of Tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.² We find that the circumstances of CAISO's unopposed waiver request satisfy these criteria.

7. First, we find that CAISO has acted in good faith because it promptly filed this waiver request with the Commission when it determined it would not be able to meet the targeted October 1, 2021, implementation date. Second, we find that CAISO's request is limited in scope, because it is a one-time extension that will apply to the UFE settlement and submission deadline Tariff provisions until November 1, 2021, and October 1, 2022, respectively. CAISO will maintain the *status quo* during this limited period. Third, we find that this waiver addresses the concrete problem that CAISO cannot feasibly implement the Tariff revisions by October 1, 2021, due to the one-month delay in CAISO's fall 2021 software release as it relates to the UFE settlement Tariff provisions. CAISO similarly cannot implement the submission deadline Tariff provisions due to the unavailability of software and the impact of concurrent implementation while trying to on-board new EIM entities. Fourth, we find that CAISO's request for waiver will not have undesirable consequences, such as harming third parties, and instead will prevent undesirable consequences by ensuring that CAISO and market participants have sufficient time to fully test the software associated with these changes prior to implementation, and that CAISO is able to properly sequence subsequent changes and complete the activities planned for the spring of 2022, including the on-boarding of several new EIM entities.

8. As the Commission recently noted,³ however, this type of requested waiver could be avoided. While we recognize the complexity in addressing software changes and enhancements, in the future we expect that CAISO should seek to implement Tariff changes in a timeframe that accounts for possible complications, such as those presented here, or provides sufficient flexibility to avoid the need for recurring extensions from the Commission.

² See, e.g., *Citizens Sunrise Transmission LLC*, 171 FERC ¶ 61,106, at P 10 (2020); *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016).

³ *Cal. Indep. Sys. Operator Corp.*, 176 FERC ¶ 61,136, at P 7 (2021).

The Commission orders:

(A) CAISO's waiver request is hereby granted, as discussed in the body of this order.

(B) CAISO is hereby directed to notify the Commission of the actual effective date of the Tariff revisions associated with the submission deadline Tariff provisions within five business days after the actual implementation date, in an eTariff submittal using Type of Filing Code 150 – Report.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.