

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

City of Tacoma, Department of)	
Public Utilities, Light Division)	
d/b/a Tacoma Power)	
v.)	Docket No. EL23-103-000
)	
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 Tacoma, Department of Public Utilities, Light Division d/b/a Tacoma Power (Tacoma) on September 27, 2023.¹ The complaint appeals a tariff-required sanction of \$42,000 related to late submission of meter data values. The CAISO supports Tacoma’s request for dismissing the \$42,000 sanction because there is a reasonable basis for the Commission to find the sanction is inequitable based on the facts in Tacoma’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

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.

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 assesses a sanction of \$1,000 for each trading day with late corrections.⁴ The CAISO does not have discretion on assessing this sanction.

Tacoma asserts the \$42,000 sanction is excessive. In response to several recent similar filings, the CAISO has agreed its current \$1,000 per trading day sanction can result in disproportionate penalties, particularly in cases that involve relatively minor and inadvertent, but long-lasting metering errors.⁵ The CAISO similarly has filed its own tariff waiver requests on the same rationale.⁶ Tacoma's request represents another case where a CAISO market participant would face disproportionate penalties arising from an inadvertent meter data error that the participant corrected and reported upon discovery.

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 Tacoma's penalty.⁷ Until those rule changes are evaluated by the

³ CAISO tariff section 37.5.2.1.

⁴ CAISO tariff sections 37.11.1 & 37.11.2.

⁵ *City of Corona, Cal. v. Cal. Indep. Sys. Operator Corp.*, Answer to Complaint, FERC Docket No. EL23-99-000 (Oct. 10, 2023); *Idaho Power Co. Cal. Indep. Sys. Operator Corp.*, Answer to Complaint, FERC Docket No. EL23-94-000 (Sep. 18, 2023).

⁶ *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).

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. The CAISO anticipates presenting the corresponding tariff revisions for Commission consideration later this year. Information about the stakeholder initiative is available at:

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

Commission, the CAISO supports relief for parties such as Tacoma that have established they are exposed to inequitable penalties under the existing tariff rules.

Tacoma's filing also notes it faces future penalties of approximately \$250,000 for additional trade dates affected by the same issue described in its complaint. If the Commission grants Tacoma's requested relief, the CAISO respectfully requests the Commission grant relief for all trade dates affected by the inaccurate loss factor issue. Doing so would lessen the administrative burden on Tacoma, the Commission, and the CAISO from having to manage a second filing based on identical underlying facts.

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:

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III. Conclusion

Consistent with the position it has taken in several recent similar proceedings, the CAISO supports Tacoma's request to excuse the \$42,000 meter data sanction and the other remaining meter data penalties from the

underlying loss factor issues because there is a reasonable basis for the Commission to find the sanction is inequitable based on the facts in Tacoma's complaint.

/s/ David S. Zlotlow

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Counsel for the California Independent
System Operator

Dated: October 30, 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 30th day of October, 2023.

/s/ Martha Sedgley

Martha Sedgley
An employee of the California ISO