



September 29, 2022

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: California Independent System Operator Corporation  
Tariff Clarifications Amendments regarding Price Correction Posting  
Procedures and Queue Cluster 14 Deadlines**

**Docket No. ER22-\_\_\_\_\_-000**

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO)<sup>1</sup> hereby submits tariff amendments to clarify two areas of the CAISO tariff: posting procedures for price correction reports and deadlines associated with the Phase I studies for queue cluster 14.<sup>2</sup> As part of its regular business practice to improve its tariff, the CAISO has identified the need to clarify certain provisions and correct inadvertent errors. The tariff revisions proposed in this filing are not intended to change established policies or materially affect the rights and obligations of the CAISO or its market participants. These revisions are intended solely to clarify tariff provisions that are unfeasible in practice. The Commission accepted similar filings regarding different tariff clarifications in 2019<sup>3</sup> and 2020.<sup>4</sup>

The CAISO has discussed these proposed tariff changes with stakeholders.<sup>5</sup> Although the CAISO submits these clarifications in the same filing, the changes are just and reasonable on their own, are not dependent on each other, and are completely

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the currently effective CAISO tariff.

<sup>2</sup> The CAISO submits this filing under Section 205 of the Federal Power Act, 16 U.S.C. § 824d.

<sup>3</sup> *California Independent System Operator Corp.*, 168 FERC ¶ 61,084 (2019).

<sup>4</sup> *California Independent System Operator Corp.*, Commission Letter Order, Docket No. ER20-2374-000 (Sept. 4, 2020).

<sup>5</sup> The CAISO discusses its stakeholder process further in Section II of this transmittal letter.

severable. The CAISO respectfully requests that the Commission accept these revisions effective November 29, 2022, 61 days from this filing.

## I. Proposed Tariff Modifications

The CAISO proposes two discrete and time-sensitive tariff amendments, clarifying the compliance period and deadlines for existing processes.

### **Section 35.6**

The CAISO proposes to amend Section 35.6—Weekly Price Correction Report. The CAISO monitors market clearing software solutions to ensure prices are calculated accurately and consistently with the CAISO tariff.<sup>6</sup> When the CAISO identifies erroneous prices through its monitoring, the CAISO corrects those prices through the price correction process set forth in Section 35. Section 35.6 requires the CAISO to post on its website a report summarizing “all price corrections that occur within a calendar week in a report that shall be posted on the CAISO Website by the seventh calendar day of the following calendar week.” The CAISO currently complies with this requirement by manually creating and then posting once per week a report that summarizes all price corrections made the prior week. The CAISO is in the process of implementing software enhancements to automate the reporting process, which will enable it to post price correction notices with significantly shorter lag time. To reflect this planned enhancement, the CAISO proposes to remove references to “weekly” from Section 35.6. The CAISO will maintain a posting deadline, but it proposes to change the deadline from the “seventh calendar day of the following calendar week” to a more predictable deadline of “the Saturday of the week after the week in which the CAISO processed the price correction.” These proposed changes will facilitate greater market transparency by giving the CAISO flexibility to post the reports on a more regular basis. As noted, with the pending software enhancements the CAISO intends to post price correction notices on a lag of no more than a few days.

### **Appendix DD: Section 16.1**

On September 24, 2021, the Commission accepted a series of limited amendments to the CAISO’s generator interconnection procedures for queue cluster 14 (Cluster 14).<sup>7</sup> During the Cluster 14 interconnection request open window, the CAISO received an unprecedented amount of requests both in terms of the number of applications and MW capacity. With this unforeseeable increase in queue requests, the CAISO faced the possibility it would miss tariff deadlines for processing interconnection requests. Thus, the Commission approved the CAISO’s request to extend timelines with firm deadlines as part of the suite of limited tariff amendments.

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<sup>6</sup> Section 35.1 of the CAISO tariff.

<sup>7</sup> *California Independent System Operator Corp.*, 176 FERC ¶ 61,207 (2021).

The CAISO now proposes to revise Section 16.1 of Appendix DD, which sets forth the timeline for Cluster 14 interconnection customers to submit an updated, valid dynamic model to the CAISO and post their initial Interconnection Financial Security. Currently, the tariff provides that, for Cluster 14, these two items are due the earlier of (1) 90 days after the publication of the Phase I Interconnection Study or (2) January 13, 2023. Among other major queue deadlines that were extended, the Cluster 14-specific tariff amendments also extended the time for the CAISO and transmission owners to hold interconnection study results meetings from the typical 30 days to within 90 days of study results publication. However, the 90-day timeframe for those study result meetings now overlaps with the 90-day due date for the financial security posting. Accordingly, the CAISO proposes to remove from the tariff the 90 days after Phase I Interconnection Study publication timeframe and make all submissions of the dynamic model and postings of the initial Interconnection Financial Security due on January 13, 2023, as initially intended. Without the clarification, in some cases interconnection customers cannot have Phase I study results meetings with the CAISO and transmission owner before they are required to make the required financial commitment. This can be problematic to interconnection customers that need information from those results meetings in order to determine whether to proceed with the development of the project and whether to submit the financial security to demonstrate that commitment. The conflicting language was erroneously carried over from the provision it was modeled on—Section 11.2.2—which negates the CAISO’s intent to extend the interconnection financial security deadline. This proposed amendment is limited in scope, aligns the tariff with the intent of the prior Cluster 14-related filing, and addresses a potential problem.

The CAISO also proposes to amend Section 16.1 of Appendix DD to include a cluster 14-specific deadline for Generator Interconnection and Deliverability Allocation Procedures (GIDAP) Appendix B validation.<sup>8</sup> In an Order issued in August of 2022, effective September 1, 2022, the Commission approved a series of generally applicable interconnection process enhancements, including a 70-day deadline for validating Appendix B forms.<sup>9</sup> This 70-day timeframe begins with issuance of the Phase I study results, allows time to cure deficiencies, and ultimately ensures the Phase II studies are not delayed due to validation issues.<sup>10</sup> However, similar to the timing issue regarding the initial interconnection financial security, the 70-day deadline overlaps with the extended 90-day period for the Phase I study results meetings applicable only to cluster 14. Thus, it is now

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<sup>8</sup> Appendix B to the Generator Interconnection Study Agreement for Queue Clusters, which is contained in Appendix 3 to Appendix DD of the CAISO tariff, is a form, titled “Data Form to Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study,” that interconnection customers must submit to the CAISO after the Phase I study results meeting. The Appendix B form contains information on changes that an interconnection customer may make prior to beginning the Phase II study process. This includes technical data and scheduling information critical to building the base case upon which the Phase II studies are run.

<sup>9</sup> *California Independent System Operator Corp.*, 180 FERC ¶ 61,143 at P 21 (2022).

<sup>10</sup> The 70 days is triggered by issuance of the Phase I study. Section 7 of Appendix DD of the CAISO tariff.

possible some interconnection customers could have their Phase I study results meetings scheduled for a date after the deadline for Appendix B validation passes.<sup>11</sup> Because interconnection customers may receive pertinent information during that meeting that can impact the selections they make on the form, it is appropriate to adjust this deadline on a one-time basis for cluster 14. At the time the special provisions for cluster 14 were approved, no deadline for the validation of Appendix B forms existed and, thus, the CAISO could not have included any exception. The CAISO proposes this limited amendment to ensure interconnection customers can have that results meeting before the deadline for a validated Appendix B. Doing so will not impact the rest of the timeline for cluster 14 or cause any delay.

## **II. Stakeholder Process**

The CAISO initiated a process to obtain stakeholder input concerning a suite of proposed tariff changes on August 8, 2022, including the proposed change to the price correction reports.<sup>12</sup> The CAISO received written comments on the proposed changes and held one conference call with stakeholders to discuss stakeholder concerns.<sup>13</sup> In response to stakeholder feedback, the CAISO made minor changes for clarity to proposed Section 35.6 and reposted the proposed tariff changes for final stakeholder review.

The CAISO identified the timeline issues regarding cluster 14 after the formal stakeholder process for tariff clarifications began. However, given the pressing timeframe and its application only to cluster 14, the CAISO engaged in individual outreach to affected stakeholders. No stakeholders objected to the proposed change.

## **III. Effective Date**

The CAISO respectfully requests an effective date of November 29, 2022, 61 days from this filing.

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<sup>11</sup> See *supra* note 8.

<sup>12</sup> The CAISO anticipates including additional, less time-sensitive amendments in a subsequent filing.

<sup>13</sup> A record of the CAISO's stakeholder process and comments received is available at <http://www.caiso.com/informed/Pages/MeetingsEvents/MiscellaneousStakeholderMeetings/Default.aspx>

#### **IV. Communications**

In accordance with Rule 203(b)(3) of the Commission's Rules of Practice and Procedures,<sup>14</sup> the CAISO requests that all communications regarding this filing should be addressed to the following individual, whose name should be put on the official service list established by the Commission with respect to this submittal:

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#### **V. Service**

The CAISO has served copies of this transmittal letter, and all attachments, on the California Public Utilities Commission, the California Energy Commission, and all parties with effective scheduling coordinator service agreements under the CAISO tariff. In addition, the CAISO is posting this transmittal letter and all attachments on the CAISO Website.

#### **VI. Materials Provided In This Filing**

The following documents, in addition to this transmittal letter, support this filing:

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|--------------|---|
| Attachment A | Clean CAISO tariff sheets incorporating these requested tariff changes; and   |
| Attachment B | Red-lined document showing the revisions proposed in these tariff amendments. |

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<sup>14</sup> 18 C.F.R. § 385.203(b)(3).

## VII. Conclusion

In this filing, the CAISO proposes amendments to its tariff to clarify the meaning of existing tariff provisions and ensure consistency throughout the tariff and between the tariff and business practices. The CAISO respectfully requests that the Commission accept these tariff amendments with an effective date of November 29, 2022.

Please do not hesitate to contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Sarah E. Kozal

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**Attachment A – Clean Tariff**

**Tariff Clarifications – Price Correction & Cluster 14  
California Independent System Operator Corporation**

**September 29, 2022**

## **Section 35**

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### **35.6 Price Correction Report**

The CAISO shall summarize all price corrections that occur for each trade day in a report that shall be posted to the public. The report shall be posted by the Saturday of the week after the week in which the CAISO processed the price correction. For all price corrections that occur during the period covered by the report, the price correction report shall specify: (a) the market intervals affected, (b) the price locations affected, (c) a brief description of the reason for the price correction, and (d) the method of price corrective action undertaken. In the event the CAISO fails to post this report, the CAISO will endeavor to post the report within six months of the affected calendar week, after which the failed report will no longer be issued.

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## **Appendix DD**

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### **Section 16. Cluster 14 Unique Procedures**

The CAISO tariff and the GIDAP will apply to Queue Cluster 14 with the following exceptions:

#### **16.1 Study Procedures and Timelines**

- a) The CAISO will validate Cluster 14 Interconnection Requests by September 26, 2021. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in Cluster 14.
- b) GIDAP provisions stating when the CAISO and Participating TOs must initiate Interconnection Studies will not apply.
- c) The CAISO will publish Phase I Interconnection Studies no later than September 15, 2022. The Phase I Interconnection Study will not include system-level stability analyses.
- d) Interconnection Customers may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (5) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the CAISO (in consultation with the applicable Participating TO(s)) will determine, in accordance with Section 6.8, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. The CAISO will issue any such revised report or addendum to the Interconnection Customer no later than thirty (30) calendar days following the Results Meeting.



- e) No later than January 13, 2023, Interconnection Customers must (1) submit an updated, valid dynamic model to the CAISO, (2) post their initial Interconnection Financial Security, and (3) have submitted an Appendix B that is deemed valid.
- f) The CAISO will publish Phase II Interconnection Studies no later than November 24, 2023.

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**Attachment B – Marked Tariff**

**Tariff Clarifications – Price Correction & Cluster 14**

**California Independent System Operator Corporation**

**September 29, 2022**

## Section 35

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### **35.6 Weekly Price Correction Report**

The CAISO shall summarize all price corrections that occur ~~for each trade day within a calendar week~~ in a report that shall be posted ~~to the public. The report shall be posted by the Saturday of the week after the week in which the CAISO processed the price correction on the CAISO Website by the seventh calendar day of the following calendar week.~~ For all price corrections that occur during the ~~calendar week period~~ covered by the ~~weekly~~ report, the price correction report shall specify: (a) the market intervals affected, (b) the price locations affected, (c) a brief description of the reason for the price correction, and (d) the method of price corrective action undertaken. In the event the CAISO fails to post this report, the CAISO will endeavor to post the report within six months of the affected calendar week, after which the failed report will no longer be issued.

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## Appendix DD

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- c) The CAISO will publish Phase I Interconnection Studies no later than September 15, 2022. The Phase I Interconnection Study will not include system-level stability analyses.
- d) Interconnection Customers may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (5) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the CAISO (in consultation with the applicable Participating TO(s)) will determine, in accordance with Section 6.8, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. The CAISO will issue any such revised report or addendum to the Interconnection Customer no later than thirty (30) calendar days following the Results Meeting.

- e) No later than ~~the earlier of (1) ninety (90) days after the publication of the Phase I Interconnection Study or (2)~~ January 13, 2023, Interconnection Customers must (1) submit an updated, valid dynamic model to the CAISO, ~~and (2)~~ post their initial Interconnection Financial Security, and (3) have submitted an Appendix B that is deemed valid.
- f) The CAISO will publish Phase II Interconnection Studies no later than November 24, 2023.

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