

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

Idaho Power Company)	
)	
v.)	Docket No. EL23-94-000
)	
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 Idaho Power Company (Idaho) on August 29, 2023.¹ The complaint appeals a tariff-required sanction of \$639,000.² The CAISO supports Idaho’s request for dismissing the \$639,000 sanction because assessing this sanction is inequitable based on the facts in Idaho’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.³ One rule relates to correcting self-reported meter data values after the correction deadline,

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 Idaho’s initial complaint also sought to excuse a market adjustment charge of \$63,425.71. Through a filing submitted in this docket on September 13, 2023, Idaho amended its complaint to remove the market adjustment from its request. Accordingly, the CAISO’s Answer only addresses the sanction of \$639,000.

³ See CAISO tariff section 37.1.2.

which is fifty-two business days after the trading day to which the meter data relates.⁴ The CAISO assesses a sanction of \$1,000 for each trading day with late corrections.⁵ The tariff does not give the CAISO discretion on whether to assess this sanction.

Idaho asserts that the \$639,000 sanction is excessive relative to the magnitude of its metering error. The CAISO agrees. The CAISO's current \$1,000 per trading day sanction can result in disproportionate penalties, particularly in cases such as Idaho's that involve relatively minor and inadvertent, but long-lasting metering errors.⁶ In Idaho's case, the penalty is over ten times the approximate value of the error, as measured by the market adjustment, which exceeds a penalty ratio both the CAISO and Commission already have agreed is "unnecessarily punitive."⁷ In fact, 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 Idaho's penalty.⁸

⁴ CAISO tariff section 37.5.2.1.

⁵ CAISO tariff sections 37.11.1 & 37.11.2.

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 *Cal. Indep. Sys. Operator Corp.*, 175 FERC ¶ 61,043, P 28 (2021) ("CAISO has sufficiently demonstrated that a 983% penalty of \$685,000 on an error with an estimated value of \$69,663.86 is unnecessarily punitive").

⁸ Phase 1 of the initiative is being presented for joint approval to 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:

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III. Conclusion

The CAISO supports Idaho's request to excuse the \$639,000 meter data sanction at issue in this proceeding because Idaho has demonstrated the penalty as applied in their circumstances is disproportionate.

/s/ David S. Zlotlow

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Counsel for the California Independent
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Dated: September 18, 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 18th day of September, 2023.

/s/ Ariana Rebancos

Ariana Rebancos
An employee of the California ISO