

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

NV Energy)	
)	
v.)	Docket No. EL24-89-000
)	
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 Nevada Power Company and Sierra Pacific Power Company (collectively, NV Energy) on March 14, 2024.¹ The complaint appeals tariff-required sanctions of \$60,000 related to late submission of meter data values. The CAISO supports NV Energy’s request because there is a reasonable basis for the Commission to find the sanction is inequitable based on the facts in NV Energy’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 in effect during the relevant period relates to correcting self-reported meter data values after the correction deadline, which is fifty-two business days after the

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.

applicable trading day.³ The CAISO tariff during the time in question assessed a sanction of \$1,000 for each trading day with late corrections.⁴ The CAISO does not have discretion on whether or not to assess this sanction.

NV Energy asserts it faces excessive and disproportionate penalty exposure from making late corrections to meter data values for 60 trading days for the Chukar storage resource. The penalties cover the initial period the Chukar resource was operational. NV Energy argues the waiver is warranted because the error was inadvertent and the scope of harm of the error was limited NV Energy's service based on the nature of the error. NV Energy also states the underlying error was present in the Settlement Quality Meter Data (SQMD) plan it submitted to the CAISO, which the CAISO approved. NV Energy claims that it relied on this approval to provide assurance it was reporting the meter data correctly.

Consistent with the position it has taken in response to several similar recent petitions, the CAISO agrees its prior tariff-defined penalty of \$1,000 per trading day can create excessive penalties in cases such as this where a single set of metering configuration errors create meter data inaccuracies over an extended period.⁵ The CAISO opened the Rules of Conduct Enhancements

³ Prior CAISO tariff section 37.5.2.1.

⁴ Prior CAISO tariff sections 37.11.1 & 37.11.2. The Commission recently approved the CAISO proposal to adjust the penalty to the lower of \$1,000 per trading day or 30 percent of the value of the error. *Cal. Indep. Sys. Operator Corp.*, Letter Order, FERC Docket No. ER24-872-000 (Mar. 22, 2024).

⁵ See, e.g., *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).

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 Tucson Electric Power Company's penalty. The Commission recently approved those rule changes.⁶ Additionally, the Commission recently approved multiple other meter data penalty appeals made based on similar circumstances.⁷ Given these recent Commission decisions, the CAISO urges the Commission to grant NV Energy's request.

Although the CAISO supports NV Energy's request for relief from penalties, the CAISO does not agree with NV Energy's suggestion that the CAISO's approval of the SQMD plan created or should create a "safe harbor" from meter data penalties. The CAISO encourages the Commission to grant NV Energy's request without crediting the SQMD plan issues as a reason for making that decision.⁸

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:

⁶ *Cal. Indep. Sys. Operator Corp.*, Letter Order, FERC Docket No. ER24-872-000 (Mar. 22, 2024).

⁷ *Direct Energy Business, LLC v. Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,228 (2024); *City of Tacoma, Department of Public Utilities, Light Division v. Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,229 (2024); *Tucson Electric Power Company v. Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,232 (2024); *Idaho Power Company v. Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,231 (2024); *City of Corona, California v. Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,230 (2024).

⁸ *Tucson Electric Power Company v. Cal. Indep. Sys. Operator Corp.*, 186 FERC ¶ 61,232, P 26 (2024).

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III. Conclusion

Consistent with the position it has taken in several recent similar proceedings, the CAISO supports NV Energy's request to excuse the meter data sanctions at issue in its complaint.

/s/ David S. Zlotlow

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Dated: April 2, 2024

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 2nd day of April, 2024.

/s/ Ariana Rebancos

Ariana Rebancos
An employee of the California ISO