

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

<b>California State University</b>	)	
<b>Channel Island Site Authority</b>	)	<b>Docket No. ER24-691-000</b>

**MOTION TO INTERVENE AND ANSWER OF  
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION IN RESPONSE TO PETITION FOR LIMITED WAIVER**

The California Independent System Operator Corporation (CAISO) submits this motion to intervene and answer<sup>1</sup> to the petition for limited waiver filed by California State University Channel Islands Site Authority (CSUCI) in the above-identified docket. The petition requests the Commission waive application of the CAISO's tariff provisions for Resource Adequacy must-offer obligations and Resource Adequacy Availability Incentive Mechanism (RAAIM) penalties. Specifically, the petition seeks to excuse a portion of tariff-required RAAIM penalties related to a long-term outage of CSUCI's generating facility. The CAISO supports CSUCI's requested relief because assessing the full RAAIM penalties is inequitable based on the facts and circumstances set forth in CSUCI's petition.

**I. Motion to Intervene**

The relief CSUCI requests arises from application of the CAISO tariff and the terms of the Reliability Must-Run Service Agreement (RMR Agreement)

---

<sup>1</sup> The CAISO submits this motion to intervene and answer pursuant to Rules 212, 213, and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213, 385.214.

between CSUCI and the CAISO. As a party to the RMR Agreement, the CAISO has a direct interest in this proceeding. Because no other party can adequately represent the CAISO's interests in the proceeding, the CAISO's intervention is in the public interest and should be granted.

## **II. Answer**

CSUCI asserts it faces inequitable penalty exposure under RAAIM from the long-term outage experienced by its resource. The CAISO agrees. The CAISO believes in these limited circumstances the combination of factors presents a reasonable basis for the Commission to excuse these penalties.

First, applying the full RAAIM penalties will undermine the cost-of-service principles underpinning CSUCI's RMR Agreement. CSUCI's RMR Agreement is a cost-of-service arrangement and, as stated in the petition, the RAAIM penalties represent 180% of the Return and Income Tax Allowance authorized under the RMR Agreement for operation of the facility in 2022.<sup>2</sup> As such, applying the RAAIM penalties could result in requiring CSUCI to maintain its facility during the RMR Agreement term at a loss.

Second, challenges experienced by the CAISO in accurately reflecting RAAIM penalty charges on CSUCI's settlement statement may have prevented CSUCI from taking steps to mitigate its penalty exposure. As CSUCI explained in the petition, the CAISO corrected an error which significantly increased the

---

<sup>2</sup> CSUCI at 5-6.

amount of RAAIM penalties assessed against CSUCI.<sup>3</sup> Had CSUCI known the full extent of the applied penalty charges, CSUCI may have taken steps to assuage its penalty exposure.

Third, CSUCI returned its resource to operation as expeditiously as possible and provided critical service in the summer of 2022 when the grid was stressed and the state was experiencing record high temperatures. In these unique circumstances, the CAISO believes the balance of equities supports CSUCI's request to excuse the portion of the RAAIM penalties identified in the petition.

Although the CAISO supports CSUCI's requested relief, the CAISO also believes it is appropriate to clarify the record. In its petition, CSUCI asserts the "CAISO Tariff provides CAISO with the discretion to exempt capacity from RAAIM."<sup>4</sup> CAISO tariff section 40.9.3.4(d) provides the CAISO limited authority to exclude from RAAIM certain types of outages identified in the Business Practice Manual. The CAISO does not have general authority to exempt capacity from RAAIM without the Commission's authorization. CSUCI also states the "tariff for RA units provides a vehicle for relief from RAAIM penalties by filing a 30-day notice to CAISO that there will be an extended outage."<sup>5</sup> It is unclear to the CAISO which 30-day notice period CSUCI refers to in this case. Under CAISO tariff section 9.3.1.3.1, maintenance outages on resource

---

<sup>3</sup> *Id.*

<sup>4</sup> CSUCI at 14.

<sup>5</sup> CSUCI at 6.

adequacy resources requested more than 30 days in advance of the resource adequacy month must provide substitute capacity by, at most, 27 days before the start of the resource adequacy month. In this case, the resource adequacy capacity would avoid RAAIM exposure because it provided substitute capacity and the RAAIM exposure would pass to the resource providing the substitute capacity. However, there is no general 30-day notice period that would permit resource adequacy resources to avoid RAAIM from extended outages other than by providing substitute capacity.

### **III. Communications**

In accordance with 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:

Andrew Ulmer  
Assistant General Counsel  
Marissa Nava  
Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Tel: (916) 963-0521  
Fax: (916) 608-7222  
Email: mnava@caiso.com

### **IV. Conclusion**

For the foregoing reasons, the CAISO supports the relief CSUCI seeks in this proceeding. CSUCI has demonstrated that applying the full RAAIM penalties

associated with its resource's long-term outage in these circumstances is inequitable.

**/s/ Marissa Nava**

Roger E. Collanton

General Counsel

Andrew Ulmer

Assistant General Counsel

Marissa Nava

Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Counsel for the California Independent  
System Operator

Dated: January 3, 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 3rd day of January, 2024.

*/s/ Ariana Rebanco*

Ariana Rebanco  
An employee of the California ISO