

185 FERC ¶ 61,072  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Acting Chairman;  
James P. Danly, Allison Clements,  
and Mark C. Christie.

California Independent System Operator Corporation      Docket Nos. ER23-426-003  
ER23-427-002

ORDER ON COMPLIANCE AND REQUEST FOR WAIVERS

(Issued October 26, 2023)

1. On May 3, 2023, California Independent System Operator Corporation (CAISO) filed in Docket No. ER23-426-003 a revised tariff record<sup>1</sup> to its Open Access Transmission Tariff (OATT) to comply with the requirements of Order No. 676-J.<sup>2</sup> On May 3, 2023, CAISO also filed in Docket No. ER23-427-002 a request for waivers of certain standards. In Order No. 676-J, the Commission revised its regulations to incorporate by reference Version 003.3 of the Standards for Business Practices and Communication Protocols for Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. The Commission established two implementation dates depending on the subject matter of the standard, and required public utilities and other utilities required to comply with section 38.1 of the Commission regulations<sup>3</sup> to make two separate compliance filings to include these standards in their tariffs.<sup>4</sup> This filing represents CAISO's second compliance filing. In this order, we accept CAISO's revised tariff record for the remainder of the revisions in Version 003.3,

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<sup>1</sup> CAISO, CAISO eTariff, 7.3.3, NAESB Standards (10.0.0).

<sup>2</sup> *Standards for Bus. Pracs. & Commc'n Protocols for Pub. Utils.*, Order No. 676-J, 175 FERC ¶ 61,139 (2021).

<sup>3</sup> 18 C.F.R. § 38.1 (2022).

<sup>4</sup> Order No. 676-J, 175 FERC ¶ 61,139 at PP 48, 50. In Order No. 676-J, the Commission required utilities to make an earlier compliance filing for the cybersecurity and Parallel Flow Visualization (PFV) standards included in Version 003.3. *Id.* PP 49-50. On February 23, 2023, the Commission accepted the compliance filings for the cybersecurity and PFV standards included in Version 003.3.

to become effective February 1, 2024, subject to an additional compliance filing submitted within 30 days of the date of this order, as described below, and grant CAISO's request for waivers.

## **I. Background**

2. On May 20, 2021, the Commission issued Order No. 676-J, which amended the Commission's regulations under the Federal Power Act (FPA)<sup>5</sup> to incorporate by reference the WEQ Version 003.3 of the Business Practice Standards adopted by NAESB.<sup>6</sup> The NAESB Business Practice Standards are intended to standardize and streamline the transactional processes of the natural gas and electric industries, as well as the communication protocols and related standards designed to improve the efficiency of communication within each industry.<sup>7</sup>

3. The WEQ Version 003.3 Business Practice Standards include, in their entirety, the WEQ-023 Modeling Business Practice Standards contained in the WEQ Version 003.1 Standards that address the technical issues affecting ATC and Available Flowgate Capability calculation for wholesale electric transmission services.<sup>8</sup> The WEQ Version 003.3 Business Practice Standards also include newly created standards as well as modifications to existing standards developed through the NAESB Business Practice Standards development or minor correction processes.<sup>9</sup> In Order No. 676-J, the Commission directed utilities to make two separate compliance filings for Version 003.3.<sup>10</sup> The first compliance filing concerned the cybersecurity and PFV standards included in Version 003.3. The Commission directed utilities to make the second compliance filing reflecting the remainder of the revisions in Version 003.3 12 months after implementation of the WEQ Version 003.2 Standards, or no earlier than October 27, 2022, with an implementation date no earlier than three months following compliance

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<sup>5</sup> 16 U.S.C. § 791a, *et seq.*

<sup>6</sup> Order No. 676-J, 175 FERC ¶ 61,139 at P 1. In Order No. 676-J, the Commission also revised its regulations to provide that transmission providers must avoid unduly discriminatory and preferential treatment in the calculation of Available Transfer Capability (ATC). *Id.* P 2.

<sup>7</sup> *Id.* P 4.

<sup>8</sup> *Id.* PP 16, 68.

<sup>9</sup> *Id.* P 10.

<sup>10</sup> *Id.* PP 49-50.

filings submission (no earlier than January 27, 2023), resulting in a 15-month implementation period.<sup>11</sup>

4. The Commission also stated that should any public utility that has previously been granted a waiver of the regulations believe that its circumstances warrant a continued waiver, the public utility may file a request for a waiver wherein the public utility can detail the circumstances that it believes warrant a waiver.<sup>12</sup> The Commission specified that in its request for continued waiver, the public utility must include the date, docket number of the order(s) previously granting the waiver(s), and an explanation for why the waiver(s) was initially granted by the Commission.

## II. CAISO's Filings

### A. Order No. 676-J Compliance Filing (ER23-426-003)

5. CAISO proposes to incorporate by reference the remainder of the revisions in Version 003.3 into its OATT,<sup>13</sup> with the exception of certain standards for which CAISO requests waivers, as set forth below.<sup>14</sup>

### B. Waiver Filing (ER23-427-002)

6. CAISO states that the Commission has previously granted CAISO waiver of various NAESB standards because CAISO's ancillary service and imbalance energy markets and financial transmission model differ significantly from the business model and physical transmission services contemplated in the Commission's *pro forma* OATT,

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<sup>11</sup> *Id.* PP 48, 50. The Commission noted that the implementation of the NAESB ATC-related standards contained in WEQ-023 will be coordinated with the retirement of the North American Electric Reliability Corporation MOD A Reliability Standards. *Id.* P 43 n.53. In a final rule issued concurrently with this order, the Commission is approving the proposed retirement of the MOD A Reliability Standards effective February 1, 2024. *Elec. Reliability Org. Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Rev.*, Order No. 902, 185 FERC ¶ 61,064, at PP 10, 25 (2023).

<sup>12</sup> Order No. 676-J, 175 FERC ¶ 61,139 at P 51.

<sup>13</sup> Compliance Filing Transmittal at 4.

<sup>14</sup> *See* 18 C.F.R. § 38.1(b)(2) (2022) (enumerating all of the standards adopted in Version 003.3).

which is the basis for the NAESB standards.<sup>15</sup> CAISO requests that the Commission continue these waivers in the updated standards in Order No. 676-J. Specifically, CAISO requests continued waivers of the standards in WEQ-001 (except for the WEQ-001-9 preamble text, WEQ-001-10 preamble text, WEQ-001-13.1.1, WEQ-001-13.1.4, WEQ-001-13.1.5, and WEQ-001-16), WEQ-002, WEQ-003, WEQ-012, WEQ-013, and WEQ-023.<sup>16</sup> CAISO states that these standards focus on transmission providers that provide physical transmission reservation service and CAISO does not offer physical transmission reservation service.<sup>17</sup> CAISO also requests continued limited waivers of WEQ-006-5 and WEQ-006-9 pertaining to time monitoring and time error notification, which are not used in the Western Interconnection.<sup>18</sup> Regarding its request for continued waivers, CAISO states that the circumstances that were the basis for the Commission's waivers of all of these standards have not changed.<sup>19</sup>

7. CAISO also requests waivers of new NAESB standards adopted in Order No. 676-J.<sup>20</sup> Specifically, CAISO requests waivers of the newly adopted Open Access Same-Time Information System (OASIS) standards in WEQ-001 (except for WEQ-001-28-1.3 and WEQ-001-28-1.3.1), WEQ-002, WEQ-003, WEQ-012, and WEQ-013.<sup>21</sup> Specifically, CAISO has requested waiver of: (1) the modifications in WEQ-001 regarding third party offers of planning redispatch services; (2) the modifications in WEQ-001 (with the exception of WEQ-001-28-1.3 and WEQ-001-28-1.3.1) related to the curtailment of non-firm transmission service; (3) the modifications of WEQ-001, WEQ-002, WEQ-003, and WEQ-013 related to transmission service requests; (4) the

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<sup>15</sup> Waiver Filing Transmittal at 1, 6.

<sup>16</sup> *Id.* at 7-8 (citing *Cal. Indep. Sys. Operator Corp.*, 178 FERC ¶ 61,158 (2022) (granting these waivers) (Order No. 676-I Compliance Order)). For WEQ-023, CAISO's request for continued waiver includes only the standards in WEQ-023-5; WEQ-023-5.1; WEQ-023-5.1.1; WEQ-023-5.1.2; WEQ-023-5.1.2.1; WEQ-023-5.1.2.2; WEQ-023-5.1.2.3; WEQ-023-5.1.3; WEQ-023-5.2; WEQ-023-6; WEQ-023-6.1; WEQ-023-6.1.1; WEQ-023-6.1.2; and WEQ-023-A Appendix A. Compliance Filing, Attachment A – Clean Tariff, section 7.3.3.

<sup>17</sup> Waiver Filing Transmittal at 9.

<sup>18</sup> *Id.* at 7-9 (citing Order No. 676-I Compliance Order, 178 FERC ¶ 61,158 (granting these waivers)).

<sup>19</sup> *Id.* at 9.

<sup>20</sup> *Id.* at 1-2.

<sup>21</sup> *Id.* at 13-15.

modifications of WEQ-001, WEQ-002, WEQ-003, and WEQ-013 concerning encumbrances to unconditional firm transmission service; (5) the modifications in WEQ-001, WEQ-002, WEQ-003, and WEQ-013 related to the renewal deadline for rollover rights for point-to-point transmission service; (6) the modifications in WEQ-001 for use of Next Hour Market Service and the 0-NX transmission product codes; (7) the modifications in WEQ-001, WEQ-002, WEQ-003, and WEQ-013 related to Network Integration Transmission Service requirements; and (8) the other modifications in WEQ-001, WEQ-002, WEQ-003, WEQ-012, and WEQ-013 to create consistency across the OASIS-related standards. CAISO states that these new standards also are based on the business model and physical transmission services in the *pro forma* OATT and therefore are inapplicable to CAISO's markets and transmission services.<sup>22</sup> In particular, CAISO explains that its transmission service model does not have any of the following features of the *pro forma* OATT: network integration and point-to-point transmission services; non-firm transmission services; formal transmission service requests and applications; transmission service reservations; re-sales or reassignments; redirects; network resources; transfers of transmission reservation rights; capacity benefits margins; and rollover rights.<sup>23</sup>

### **III. Notice and Responsive Pleadings**

8. Notice of CAISO's May 3, 2023 compliance filing was published in the *Federal Register*, 88 Fed. Reg. 29,898 (May 9, 2023), with interventions and protests due on or before May 24, 2023. None was filed.

9. Notice of CAISO's May 3, 2023 waiver filing was published in the *Federal Register*, 88 Fed. Reg. 29,898 (May 9, 2023), with interventions and protests due on or before May 24, 2023. None was filed.

### **IV. Discussion**

10. We accept CAISO's Order No. 676-J revised tariff record for the remainder of the revisions in Version 003.3 to become effective February 1, 2024,<sup>24</sup> grant the requested

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<sup>22</sup> *Id.* at 10-13.

<sup>23</sup> *Id.* at 12-13.

<sup>24</sup> In Order No. 676-J, the Commission stated that it would set an implementation date for the remainder of the revisions in Version 003.3 no earlier than three months following compliance filings submission (no earlier than January 27, 2023), resulting in a 15-month implementation period. Order No. 676-J, 175 FERC ¶ 61,139 at PP 48, 50. We choose to set a common effective date of February 1, 2024 for the Order No. 676-J

waivers, and direct CAISO to make an additional compliance filing. In particular, we accept CAISO's revised tariff record because it complies with the directives of Order No. 676-J, subject to the additional compliance filing discussed below.

11. Specifically, we grant CAISO's requests for continued waivers of WEQ-001 (except for the WEQ-001-9 preamble text, WEQ-001-10 preamble text, WEQ-001-13.1.1, WEQ-001-13.1.4, WEQ-001-13.1.5, and WEQ-001-16), WEQ-002, WEQ-003, WEQ-012, WEQ-013, and WEQ-023,<sup>25</sup> and for continued limited waivers of WEQ-006-5 and WEQ-006-9.<sup>26</sup> As CAISO states in its transmittal letter, the circumstances that were the basis for the Commission's waivers of these standards have not changed.<sup>27</sup> We find that CAISO has supported continued waiver of the foregoing standards for the reasons set forth in CAISO's filing,<sup>28</sup> and because the rationale used when the Commission previously granted these waivers has not changed. Therefore, consistent with the Commission's previous determinations in the Order No. 676-I Compliance Order,<sup>29</sup> and for good cause shown, we grant the request for continued waivers.

12. We also grant CAISO's request for waivers of the new OASIS-related NAESB WEQ Business Practice Standards in WEQ-001 (except for WEQ-001-28-1.3 and WEQ-001-28-1.3.1), WEQ-002, WEQ-003, WEQ-012, and WEQ-013.<sup>30</sup> CAISO supported its request for new waivers of the foregoing standards on the basis that they are inapplicable to CAISO's markets and transmission service model.<sup>31</sup> Consistent with the

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compliance filings that incorporate by reference the remainder of the revisions in Version 003.3.

<sup>25</sup> Consistent with CAISO's request, our granting of continued waiver of WEQ-023 includes only the standards in WEQ-023-5; WEQ-023-5.1; WEQ-023-5.1.1; WEQ-023-5.1.2; WEQ-023-5.1.2.1; WEQ-023-5.1.2.2; WEQ-023-5.1.2.3; WEQ-023-5.1.3; WEQ-023-5.2; WEQ-023-6; WEQ-023-6.1; WEQ-023-6.1.1; WEQ-023-6.1.2; and WEQ-023-A Appendix A. Compliance Filing, Attachment A – Clean Tariff, section 7.3.3.

<sup>26</sup> Waiver Filing Transmittal at 7-9.

<sup>27</sup> *Id.* at 9.

<sup>28</sup> *See supra* PP 8-9.

<sup>29</sup> Order No. 676-I Compliance Order, 178 FERC ¶ 61,158 at P 14.

<sup>30</sup> Waiver Filing Transmittal at 13-15.

<sup>31</sup> *Id.* at 10-13.

Commission's previous findings,<sup>32</sup> we find that these new standards are inapplicable to CAISO's markets and transmission service model, which differ significantly from the business model and physical transmission services contemplated in the Commission's *pro forma* OATT and that serve as the basis for the NAESB standards. Therefore, for good cause shown, we grant the request for new waivers.

13. Finally, we require CAISO to make a compliance filing within 30 days of the date of issuance of this order to revise its tariff record to include the citation to this order granting the waiver requests.<sup>33</sup>

The Commission orders:

(A) CAISO's revised tariff record for the remainder of the revisions in Version 003.3 is hereby accepted for filing, to become effective February 1, 2024, subject to an additional compliance filing, as discussed in the body of this order.

(B) CAISO's request for waivers is hereby granted, as discussed in the body of this order.

(C) CAISO is hereby directed to make a compliance filing within 30 days of the date of issuance of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>32</sup> See, e.g., Order No. 676-I Compliance Order, 178 FERC ¶ 61,158 at P 14.

<sup>33</sup> See, e.g., *Versant Power*, 178 FERC ¶ 61,159, at P 15 (2022); *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,141, at P 20 (2015); *Golden Spread Elec. Coop., Inc.*, 151 FERC ¶ 61,141, at P 24 (2015). For this compliance filing, we remind CAISO to include a higher eTariff priority code for its revised tariff record effective February 1, 2024.