

163 FERC ¶ 61,059
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

April 25, 2018

In Reply Refer To:
California Independent System
Operator Corporation
Docket No. ER18-728-001

California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Attention: David Zlotlow

Dear Mr. Zlotlow:

1. On April 3, 2018, the California Independent System Operator Corporation (CAISO) filed a petition for temporary suspension, or limited tariff waiver (Petition) of the effective date of tariff amendments accepted in the Commission's March 29 order in Docket No. ER18-728-000.¹ Specifically, CAISO seeks to delay the effective date of these tariff provisions from April 1, 2018, until May 1, 2018.

2. In the Petition, CAISO explains it requested the April 1, 2018 effective date for RAAIM tariff amendments to take effect for the April 2018 Resource Adequacy Month, in alignment with certain resource adequacy rules changes related to Phases 1B and 2 of CAISO's reliability services initiative.² CAISO explains that the software code to implement both initiatives was developed as a single project. CAISO states that based on developments during the market simulation process for Phases 1B and 2 of the reliability services initiative, CAISO and its market participants concluded that the resource

¹ *Cal. Indep. Sys. Operator Corp.*, 162 FERC ¶ 61,278 (2018) (March 29 Order). The tariff provisions accepted in the March 29 Order focused on improving CAISO's methodology used to evaluate the availability of resource adequacy resources and calculation of the resulting charges and payments under its Resource Adequacy Availability Incentive Mechanism (RAAIM).

² *Cal. Indep. Sys. Operator Corp.*, 162 FERC ¶ 61,042 (2018).

adequacy rules changes needed to be delayed from the April 2018 Resource Adequacy Month to the May 2018 Resource Adequacy Month. CAISO filed a request for waiver to delay the implementation of the resource adequacy changes, which the Commission granted.³ Accordingly, CAISO also seeks to delay the effective date of the RAIM tariff amendments until May 1, 2018.

3. CAISO states that good cause exists to grant the Petition because: (1) CAISO has acted in good faith because it promptly filed the Petition as soon as practicable following the March 29 Order, and it put the Commission and stakeholders on notice of its intent to file the Petition; (2) it will be limited in scope because the waiver will only apply until May 1, 2018; (3) it will solve the concrete problem that the CAISO cannot implement the tariff revisions for the April 2018 Resource Adequacy Month without risking implementation of potentially flawed systems; and (4) it will not have undesirable consequences because CAISO can continue to operate using its existing resource adequacy tariff provisions in the interim.⁴

4. Notice of CAISO's Petition was published in the Federal Register, 83 Fed. Reg. 15,140 (2018), with protests and interventions due on or before April 10, 2018. No comments were filed.

5. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.⁵ We find that CAISO's unopposed Petition to delay the effective date of its RAIM tariff amendments satisfies the foregoing criteria. First, we find that CAISO has acted in good faith by previously stating its intent to request a waiver for these tariff provisions⁶ and then filing the petition as soon as practicable. Second, we find that CAISO's request is limited in scope, because it will delay implementation of the tariff provisions accepted in the March 29 Order for one month, i.e., until May 1, 2018, and

³ *Cal. Indep. Sys. Operator Corp.*, 162 FERC ¶ 61,187 (2018).

⁴ CAISO Petition at 4-5.

⁵ *See, e.g., Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 14 (2016); *Calpine Energy Servs., L.P.*, 154 FERC ¶ 61,082, at P 12 (2016); *New York Power Auth.*, 152 FERC ¶ 61,058, at P 22 (2015).

⁶ In its similar waiver petition related to the Phases 1B and 2 tariff provisions, CAISO explained that a delay in the effective date of the tariff provisions associated with Phases 1B and 2 would necessitate a delay in the effectiveness of these tariff revisions as well. CAISO, Petition for Limited Tariff Waiver, Docket No. ER18-1-001, at 4 (filed Feb. 14, 2018).

retains the status quo during this limited period. Third, we find that this request for waiver addresses the concrete problem that CAISO cannot implement the tariff revisions on April 1, 2018 without risking implementation of potentially flawed systems. This is because the software code associated with the tariff provisions at issue here and the tariff provisions related to Phases 1B and 2 of the reliability services initiative was developed as a single project, as discussed above. Fourth, we find that CAISO's request for waiver will not result in undesirable consequences, and will ensure that CAISO and market participants have sufficient time to fully validate the settlement processes associated with these changes prior to implementation. In addition, we find that CAISO's request will not result in undesirable consequences because the CAISO will continue to operate under its existing RA tariff provisions.

6. For these reasons, we grant CAISO's request for waiver. We also direct CAISO to submit a compliance filing within 15 days of the date of this order to revise the effective date of the RAAIM tariff amendments accepted in the March 29 Order to reflect the new May 1, 2018 effective date.

By direction of the Commission.

Kimberly D. Bose,
Secretary.