

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

**California Independent System     )  
Operator Corporation             )     Docket No. ER18-728-000**

**PETITION FOR LIMITED TARIFF WAIVER OF THE CALIFORNIA  
INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO) respectfully requests a temporary suspension of the effectiveness, or limited waiver, of the tariff revisions accepted in the order issued in this proceeding on March 29, 2018.<sup>1</sup> The provisions governed by the March 29 Order have an April 1, 2018, effective date. Due to identified implementation issues with the tariff revisions at issue in this docket, the CAISO was not able to enact the provisions on April 1, 2018. The CAISO accordingly requests a temporary suspension of the effectiveness, or limited waiver, of the tariff revisions accepted in the March 29 Order retroactive to April 1, 2018, and prospective until May 1, 2018.

The CAISO respectfully requests that the Commission provide for a shortened comment period of no more than 7 calendar days from the date of this filing and that the Commission issue an order on this request by April 27, 2018.

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<sup>1</sup> *Cal. Indep. Sys. Operator Corp.*, 162 FERC ¶ 61,278 (2018) (March 29 Order). The CAISO submits this petition for limited waiver pursuant to Rule 207 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.207. Capitalized terms not otherwise defined herein have the meanings set forth in the CAISO tariff.

## I. Background

On January 29, 2018, the CAISO filed tariff amendments in this proceeding to revise how it calculates charges and payments under the Resource Adequacy Availability Incentive Mechanism (RAAIM).<sup>2</sup> The tariff revisions focused on addressing problematic outcomes resulting from the approved RAAIM availability methodology. The March 29 Order accepted the proposed amendments as filed, with the requested April 1, 2018, effective date.

Separately, on September 29, 2017, the CAISO filed tariff amendments to implement six stand-alone tariff changes that arise from the CAISO's reliability services initiative, Phase 1B and Phase 2 (RSI1b/RSI2).<sup>3</sup> The tariff revisions focused on improving the CAISO's rules governing the resource adequacy (RA) program by reducing unnecessary complexity and making them more equitable and efficient for market participants. The RSI1b/RSI2 amendments were accepted in an order issued January 18, 2018.<sup>4</sup>

Both the amendments in this docket and those from the RSI1b/RSI2 filing were meant to take effect for the April 2018 RA month and the software code to implement both initiatives was developed as a singular project.<sup>5</sup> Based on developments during the RSI1b/RSI2 market simulation process, the CAISO and

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<sup>2</sup> *Cal. Indep. Sys. Operator Corp.*, Transmittal Letter, FERC Docket No. ER18-1 (Jan. 29, 2018) (RAAIM Modifications filing).

<sup>3</sup> *Cal. Indep. Sys. Operator Corp.*, Transmittal Letter, FERC Docket No. ER18-1 (Sept. 29, 2017) (RSI1b/RSI2 filing).

<sup>4</sup> *Cal. Indep. Sys. Operator Corp.*, 162 FERC ¶ 61,042 (2018) (January 18 Order).

<sup>5</sup> The RSI1b/RSI2 tariff amendments dealt with RA processes conducted before the start of the applicable RA month, so the initially-requested effective date was February 15, 2018, to apply for the April 2018 RA month.

its market participants concluded that the RA rules changes would need to be delayed from the April 2018 RA month to the May 2018 RA month.<sup>6</sup> Accordingly, on February 14, 2018, the CAISO filed a waiver with the Commission requesting to delay RSI1b/RSI2 implementation until the May 2018 RA month.<sup>7</sup> The Commission granted the RSI1b/RSI2 waiver in an order issued on March 1, 2018.<sup>8</sup>

The RSI1b/RSI2 waiver filing identified the paired implementation with the RAAIM Modifications filing and notified the Commission of the CAISO's intent to file a similar waiver for the RAAIM modifications.<sup>9</sup> The CAISO's answer to protests and comments in this docket, filed on February 28, 2018, again raised the delay issue, stating that if the Commission approved the RAAIM Modifications filing, then the CAISO immediately thereafter would file a waiver request for the RAAIM Modifications project similar to the RSI1b/RSI2 waiver.<sup>10</sup> Now that the RAAIM modifications have been approved through the March 29 Order, the CAISO hereby brings this waiver request to shift implementation from April 1, 2018, to May 1, 2018.

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<sup>6</sup> Further details about the implementation complications experienced with RSI1b/RSI2 market simulation and the need for an implementation delay is provided in the waiver request to delay RSI1b/RSI2 implementation. *Cal. Indep. Sys. Operator Corp.*, Waiver Request, at 3-4, FERC Docket No. ER18-1 (Feb. 14, 2018) (RSI1b/RSI2 waiver).

<sup>7</sup> RSI1b/RSI2 waiver.

<sup>8</sup> *Cal. Indep. Sys. Operator Corp.*, 162 FERC ¶ 61,187 (2018).

<sup>9</sup> RSI1b/RSI2 waiver, at 4 n.5.

<sup>10</sup> *Cal. Indep. Sys. Operator Corp.*, Answer to Protests and Comments, at 8, FERC Docket No. ER18-728 (Feb. 28, 2018).

### III. Petition for Waiver

Good cause exists for the Commission to grant a limited waiver to suspend the effectiveness until May 1, 2018, of the tariff revisions that were accepted in the March 29 Order. The Commission previously has granted requests for tariff waivers where (1) the applicant acted in good faith; (2) the waiver was of limited scope; (3) the waiver addressed a concrete problem; and (4) the waiver did not have undesirable consequences, such as harming third parties.<sup>11</sup> This waiver petition meets all four conditions.

The CAISO has acted in good faith because it has brought this waiver request as soon as practicable following Commission acceptance on March 29, 2018, of the RAIM Modifications filing. Prior to receiving the March 29 Order, the CAISO also put both the Commission and its stakeholders on notice of the CAISO's intent to file this waiver. The waiver is of limited scope in that it will apply only until May 1, 2018. The waiver also will remedy the concrete problem that the CAISO cannot implement the tariff revisions for April 2018 RA month without risking implementation of potentially flawed systems. The Commission previously has recognized that it is reasonable to postpone the effectiveness of tariff revisions where, as is the case in this proceeding, it is infeasible to implement the tariff revisions on their intended effective date because the CAISO

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<sup>11</sup> See, e.g., *Cal. Indep. Sys. Operator Corp.*, 162 FERC ¶ 61,187 (2018); *Cal. Indep. Sys. Operator Corp.*, 158 FERC ¶ 61,072, at P 5 (2017); *N.Y. Indep. Sys. Operator, Inc.*, 146 FERC ¶ 61,061, at P 19 (2014); *PJM Interconnection, L.L.C.*, 146 FERC ¶ 61,041, at P 5 (2014); *ISO New England, Inc.*, 134 FERC ¶ 61,182, at P 8 (2011).

cannot deploy the necessary software until a later date.<sup>12</sup> Further, the waiver will not have undesirable consequences because the CAISO can continue to operate using its existing RA tariff provisions in the interim.

Therefore, good cause exists to grant the CAISO's request for limited waiver of the current effective date of April 1, 2018, for the tariff revisions covered by this request.

#### **IV. Request for Shortened Comment Period and Expedited Order**

To provide the CAISO and its market participants certainty about which set of RAIM rules will apply for the April 2018 RA month, the CAISO respectfully requests that the Commission provide a shortened comment period regarding this petition for limited tariff waiver of no more than 7 calendar days from the date of this filing. The CAISO also requests an order by April 27, 2018.

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<sup>12</sup> See, e.g., *Cal. Indep. Sys. Operator Corp.*, 158 FERC ¶ 61,072, at P 5; *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,184, at P 10 (2012).

**V. Conclusion**

For the foregoing reasons, the Commission should find that good cause exists to grant this request for limited waiver to permit a delay in implementing the tariff provisions covered by the RAIM Modifications filing.

Respectfully submitted,

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Dated: April 3, 2018

## 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 3<sup>rd</sup> day of April, 2018.

*/s/ Grace Clark*  
Grace Clark