

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

California Independent System) Docket No. ER21-955-____
Operator Corporation)

**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,¹ of certain tariff revisions accepted in the order issued in this proceeding on April 30, 2021,² which the Commission subsequently authorized to go into effect by October 1, 2022.³ Specifically, the CAISO requests waiver of that October 1 effective date for the tariff revisions to move the final hourly submission deadline for Energy Imbalance Market (EIM) base schedules from 40 minutes to 30 minutes before the start of each hour (Submission Deadline Revisions).⁴

For the reasons explained below, good cause exists to postpone the effective date of the Submission Deadline Revisions to October 1, 2023, *i.e.*, the date the CAISO has targeted for its Fall 2023 software release. This will allow the CAISO to continue to evaluate needed software changes after it implements

¹ The CAISO files 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.

² *Cal. Indep. Sys. Operator Corp.*, 175 FERC ¶ 61,096 (2021) (April 2021 Order).

³ *Cal. Indep. Sys. Operator Corp.*, 177 FERC ¶ 61,072 (2021) (October 2021 Order).

⁴ All other tariff changes accepted by the Commission in the April 2021 Order have been implemented by the CAISO consistent with the Commission's directives.

key market enhancements later this year. Further, the CAISO requests the Commission continue to allow the CAISO to submit a subsequent filing in this proceeding five business days after the actual implementation date that specifies the effective date associated with the Submission Deadline Revisions.⁵

I. Background

On January 27, 2021, as amended on March 25, 2021, the CAISO filed tariff revisions in this proceeding to enhance real-time settlement and base schedule submission in the EIM (Tariff Amendment). The revisions in the Tariff Amendment included the Submission Deadline Revisions, which will move the final hourly submission deadline for EIM base schedules from 40 minutes to 30 minutes before the start of each hour.

On April 30, 2021, the Commission issued an order accepting the Submission Deadline Revisions effective October 1, 2021, subject to the CAISO submitting a subsequent filing within five business days after the actual implementation date to specify the effective date associated with the tariff records for the Submission Deadline Revisions.⁶ On September 30, 2021, the CAISO filed a petition for limited tariff waiver to postpone the effective date of the Submission Deadline Revisions to October 1, 2022, subject to the same requirement to submit a subsequent filing within five business days after the

⁵ See April 2021 Order at P 24; October 2021 Order at P 6.

⁶ April 2021 Order at PP 16-19, 24, 27. The Commission also accepted in part and rejected in part other tariff revisions proposed in the Tariff Amendment not relevant to this petition for limited tariff waiver. See *id.* at PP 4-15, 24-26, 27-28.

actual implementation date to specify their effective date. The Commission issued an order granting the petition on October 29, 2021.⁷

The CAISO recently determined it will be unable to implement the Submission Deadline Revisions by October 1, 2022. To date, the CAISO's testing and market simulation of the Submission Deadline Revisions, which must be successfully completed before those revisions can go into effect, have not yielded results showing the Submission Deadline Revisions can be implemented in a manner that is reliable and efficient for customers by the fall of 2022. The CAISO's evaluation of its market software performance to date indicates that the real-time market pre-dispatch process (RTPD) would not have sufficient time to run if the base schedule timeline change (*i.e.*, the 10-minute reduction in time available for the market to run following the submission of base schedules) is accommodated. Specifically, this reduction would require the RTPD run for intervals 4 and 5 to be completed in five and a half minutes or less, including at least 90 seconds for review. Test results indicate this timeframe cannot presently be accommodated without the risk of the RTPD not completing in time, unless and until the CAISO is able to improve performance and shave off approximately one minute of run time. Further, the CAISO has some concern that key enhancements planned for the fall of 2022 may bear on the overall performance of the applicable software and the timing of results in the production

⁷ October 2021 Order at PP 1, 6-7. The Commission also granted the CAISO's request in the same petition for limited tariff waiver to postpone, until November 1, 2022, the effective date of other tariff revisions proposed in the Tariff Amendment that would allow an EIM entity the option to not settle unaccounted for energy (UFE) in its balancing authority area (UFE Settlement Revisions). *Id.* The UFE Settlement Revisions went into effect on November 1, 2022.

environment, and would like this functionality to be in production prior to further software testing associated with the Submission Deadline Revisions.

Due to these unexpected challenges, the CAISO has suspended testing and market simulation of the Submission Deadline Revisions in order to complete the work necessary to implement a key market enhancement developed through a recently completed CAISO stakeholder initiative, the Flexible Ramping Product Refinements.⁸ On August 15, 2022, the CAISO filed a tariff amendment in Docket No. ER22-2661-000 to implement the Flexible Ramping Product Refinements with a targeted effective date of November 1, 2022.⁹ This will allow the CAISO staff responsible for testing and market simulation to give their full attention to completing the work required so the Flexible Ramping Product Refinements can go into effect on November 1 as contemplated by the CAISO, assuming the Commission accepts the pending tariff amendment. In addition, it would be prudent to revisit testing associated with the Submission Deadline Revisions after the Flexible Ramping Product Refinements are in production, prior to moving forward with the Submission Deadline Revisions. Deferring further work on the Submission Deadline Revisions will allow the CAISO to more fully understand the performance of the software going forward and, more

⁸ See <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Flexible-ramping-product-refinements>.

⁹ The CAISO also requested the Commission to issue an order by October 17, 2022 accepting the Flexible Ramping Product Refinements tariff revisions, and to allow the CAISO the flexibility to put the tariff revisions into effect on any date on or before December 15, 2022, subject to the CAISO filing a notice with the Commission within five days of the actual effective date. As noted above, the CAISO is targeting an effective date of November 1 for the tariff revisions. Transmittal letter for Tariff Amendment to Refine Flexible Ramping Product, Docket No. ER22-2661-000, at 16-17 (Aug. 15, 2022).

importantly, avoid introducing additional performance risk concurrent with that significant market enhancement.

The CAISO anticipates resuming testing and market simulation of the Submission Deadline Revisions after November 1, 2022. The CAISO believes the Submission Deadline Revisions can be implemented no earlier than October 1, 2023, *i.e.*, the date the CAISO targets for its Fall 2023 software release.¹⁰ However, the CAISO notes that it will remain unclear until further testing following implementation of the Flexible Ramping Product Refinements has been conducted whether the software performance issues associated with the Submission Deadline Revisions can be resolved.¹¹ It is possible the software performance issues will prove intractable, in which case the CAISO would evaluate the circumstances and follow up with the Commission as appropriate.

II. Petition for Limited Waiver

The CAISO respectfully requests the Commission grant this petition for limited tariff waiver to postpone the effective date of the Submission Deadline Revisions from October 1, 2022 to October 1, 2023,¹² subject to the CAISO

¹⁰ The CAISO endeavors to release software changes in the fall as part of its normal course of business, and Fall 2023 is the next reasonable opportunity given the current priorities planned for implementation in Spring 2023.

¹¹ Stakeholders will receive regular updates regarding the CAISO's planned software releases, including the software needed to implement the Submission Deadline Revisions, as part of the CAISO's release planning process. See the CAISO's release planning web page, <https://www.caiso.com/informed/Pages/ReleasePlanning/Default.aspx>. The release plans on the web page refer to the Submission Deadline Revisions as the "Western EIM base schedule submission deadline, phase 2."

¹² Specifically, the CAISO requests the Commission postpone until October 1, 2023 the effective date of the revisions to tariff sections 29.34(f)(1)(C), 29.34(f)(1)(D), 29.34(k), 29.34(l)(4)(A), 29.34(l)(4)(B), 29.34(m)(6)(i), 29.34(m)(6)(ii), 29.34(n)(1), 29.34(n)(2), 30.5.7.1, 30.5.7.2, 30.5.7.3, 30.5.7.4, 30.5.7.5, 34.1.6.1, 34.1.6.2, 34.3.1, and 34.4. shown in red-line format in attachment D to the initial filing of the Tariff Amendment on January 27, 2021.

submitting a subsequent filing within five business days after the actual implementation date to specify the effective date associated with the tariff records for the Submission Deadline Revisions.

Good cause exists for the Commission to grant this petition for limited tariff waiver. 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.¹³ This waiver petition meets all four conditions.

The CAISO has acted in good faith because it timely notified the Commission after it determined that implementing the Submission Deadline Revisions by October 1, 2022 is not feasible. As explained above, the results of the CAISO's testing and market simulation so far show the Submission Deadline Revisions should not be implemented on October 1, 2022 and that October 1, 2023 is a reasonable target date to determine whether the necessary software performance improvements are feasible. The waiver is of limited scope because it will apply for approximately twelve months.

The waiver also will remedy the concrete problem that unexpected challenges in the testing and market simulation processes mean the CAISO cannot implement the Submission Deadline Revisions effective October 1, 2022. The Commission has previously recognized it is reasonable to postpone the

¹³ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 173 FERC ¶ 61,185, at P 6 (2020); *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).

effectiveness of tariff revisions where, as in this proceeding, it is infeasible to implement the tariff revisions on their intended effective date because the CAISO cannot properly deploy the software until a later date.¹⁴ Further, the waiver will not have undesirable consequences because the CAISO will continue to operate under the status quo for the limited waiver period and will continue to keep stakeholders informed through its release planning processes. The existing just and reasonable tariff provisions to be modified by the Submission Deadline Revisions will remain in effect until the revisions can be implemented.

In sum, this petition for limited tariff waiver meets all four conditions. Therefore, good cause exists to grant the waiver petition.

¹⁴ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 176 FERC ¶ 61,054, at P 6 (2021); *Cal. Indep. Sys. Operator Corp.*, 165 FERC ¶ 61,038, at P 5 (2018).

III. Conclusion

For the foregoing reasons, the Commission should find good cause exists to postpone the effective date of the Submission Deadline Revisions from October 1, 2022 to October 1, 2023, subject to the CAISO submitting a subsequent filing within five business days after the actual implementation date to specify the respective effective dates associated with the tariff records for the Submission Deadline Revisions.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above-referenced proceeding, 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, CA this 30th day of August, 2022.

/s/ Jacqueline Meredith
Jacqueline Meredith