

164 FERC ¶ 61,148
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 30, 2018

In Reply Refer To:
California Independent System
Operator Corporation
Docket No. ER18-1822-000

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

Attention: John C. Anders, Assistant General Counsel

Dear Mr. Anders:

1. On June 22, 2018, pursuant to section 205 of the Federal Power Act,¹ the California Independent System Operator Corporation (CAISO) submitted proposed tariff revisions to revise the Transmission Control Agreement (TCA) among CAISO and its participating transmission owners, to include a new participating transmission owner, Citizens Sycamore-Penasquitos Transmission LLC (Citizens Sycamore), and to update the TCA for other participating transmission owners to reflect the expiration or termination of certain entitlements and contracts, additions or amendments to existing entitlements and contracts, and clean-up edits.

2. CAISO requests that the proposed changes to the TCA become effective on August 31, 2018, the anticipated closing date whereupon Citizens Sycamore will acquire from San Diego Gas & Electric Company (SDG&E) an interest of approximately 12.92 percent of the transfer capability of an underground segment of the Sycamore-to-Penasquitos 230 kV transmission project currently under construction, and also the date Citizens Sycamore would become a participating transmission owner in CAISO. CAISO also requests waiver of certain tariff provisions related to the implementation of the transmission access charge to accommodate Citizens Sycamore's anticipated closing date with SDG&E. In this order, we accept CAISO's proposed tariff provisions, to be effective either August 31, 2018 or the actual closing date between Citizens Sycamore

¹ 16 U.S.C. § 824d (2012).

and SDG&E, whichever is later, as requested, and we grant CAISO's request for waiver, as discussed below.

3. CAISO explains that the TCA is the agreement among CAISO and participating transmission owners that establishes the terms and conditions under which transmission owners place certain transmission facilities and entitlements under the CAISO's operational control. The TCA describes how CAISO and each participating transmission owner will discharge their respective duties and responsibilities with respect to the operation of those facilities and entitlements.²

4. CAISO states that the proposed revisions to the TCA to include Citizens Sycamore as a participating transmission owner include updates to the TCA table of contents, a signature page, additions to appendix A to identify Citizens Sycamore's entitlements, and additions to appendix B to identify Citizens Sycamore's encumbrances. Further, CAISO proposes to add new TCA section 4.4.8 to address any concerns about the possibility that Citizens Sycamore might recover all or a portion of its revenue requirement for the high voltage transmission assets it acquired and then subsequently seek to withdraw those interests from the CAISO's operational control and operate them as transmission rights not subject to the Commission's jurisdiction. CAISO explains that this provision is consistent with similar TCA provisions related to other participating transmission owners.³

5. CAISO also proposes to revise SDG&E's appendix A and appendix B of the TCA to reflect certain updates, such as the removal of the Mutual Assistance Transmission Agreement due to the termination of that agreement on January 1, 2018, the removal of the San Onofre Nuclear Generating Station Participation Agreement due to the shutdown of the facility, and updates to SDG&E's entitlements to reflect its rights with regard to the Sycamore-Penasquitos transmission project. CAISO also states that it is revising the TCA to reflect a participating transmission owner's name change from Atlantic Path 15, LLC to DATC Path 15, LLC.⁴

² Transmittal at 1.

³ *Id.* at 2-3. CAISO states that proposed section 4.4.8 is modeled on existing TCA sections 4.4.4, 4.4.5, 4.4.6, and 4.4.7, which were incorporated into the TCA to address similar concerns relating to Trans Bay Cable L.L.C., Startrans IO, L.L.C., Citizens Sunrise Transmission L.L.C., and GridLiance West Transco L.L.C. when they proposed to become parties to the TCA.

⁴ *Id.* at 3-4.

6. CAISO requests that the proposed changes to the TCA become effective August 31, 2018. To accommodate this requested effective date, CAISO also requests waiver of certain provisions of its tariff that prescribe that the effectiveness of agreements applicable to new participating transmission owners, as well as the implementation date of revisions to CAISO's transmission access charge for new participating transmission owners, will be either January 1 or July 1 of the relevant year. Specifically, CAISO seeks waiver of tariff section 4.3.1.1 – and the related provisions of tariff appendix F, Schedule 3, section 8.1 – in order to implement the August 31, 2018 effective date to coincide with the date on which Citizens Sycamore becomes a participating transmission owner. CAISO states that over the course of its operations, it has become accustomed to implementing Commission-ordered revisions to its transmission access charges to become effective on dates as necessary to support schedules associated with the addition of transmission facilities. Consequently, CAISO explains it is willing to forego its usual preference for implementation of transmission access charge revisions for new participating transmission owners on January 1 or July 1 as prescribed by CAISO tariff section 4.3.1.1. Further, CAISO requests that the Commission direct it to submit a compliance filing to revise the effective date for the changes to the Citizens Sycamore appendix A and the SDG&E appendix A in the event the transaction between SDG&E and Citizens Sycamore closes on a date other than the requested effective date of August 31, 2018.⁵

7. Notice of CAISO's filing was published in the *Federal Register*, 83 Fed. Reg. 30,726 (2018), with protests and interventions due on or before July 13, 2018. Citizens Sycamore filed a timely motion to intervene. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2017), the timely, unopposed motion to intervene serves to make Citizens Sycamore a party to this proceeding.

8. We accept CAISO's proposed revisions to the TCA. We find that CAISO's proposed revisions are consistent with previous modifications to the TCA that included new participating transmission owners or are otherwise discrete updates and corrections, as described above. Further, we grant CAISO's request for waiver of its tariff provisions to allow the revisions to become effective either August 31, 2018, or the actual closing date between Citizens Sycamore and SDG&E, whichever is later.

9. 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

⁵ *Id.* at 4.

third parties.⁶ We find that CAISO acted in good faith to address the effective date issue described herein. Further, CAISO's waiver is of limited scope because it only applies to two provisions in the CAISO tariff relating to the effective date on which transmission access charge revisions for new participating owners may be made. The request for waiver also addresses a concrete problem by allowing for a requested effective date—to correspond with the date on which Citizens Sycamore closes with SDG&E and becomes a participating transmission owner—that would otherwise deviate from the prescribed language in the CAISO tariff. Finally, the waiver does not have undesirable consequences and will provide certainty to Citizens Sycamore and stakeholders concerning the implementation date of Citizens Sycamore's transmission access charges, which will occur on a date different than the January 1 and July 1 dates established in the CAISO tariff. We also note that the request for waiver is unopposed.

10. Finally, we direct CAISO to submit a compliance filing to revise the effective date for the changes to the Citizens Sycamore appendix A and the SDG&E appendix A in the event the transaction between SDG&E and Citizens Sycamore closes on a date other than August 31, 2018. The compliance filing is due within 30 days of the actual closing date.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁶ See, e.g., *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 14 (2016); *Calpine Energy Serv., Inc.*, 154 FERC ¶ 61,082, at P 12 (2016); *New York Power Auth.*, 152 FERC ¶ 61,058, at P 22 (2015).