

168 FERC ¶ 61,084
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 9, 2019

In Reply Refer To:
California Independent System
Operator Corporation
Docket No. ER19-1837-000

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

Attention: Andrew Ulmer

Dear Mr. Ulmer:

1. On May 14, 2019, the California Independent System Operator Corporation (CAISO) filed tariff revisions to correct inadvertent errors and inconsistencies and clarify several provisions of the CAISO tariff, including, among others, ancillary services procurement, metering, day-ahead and real-time market rules, as well as resource adequacy.¹ As discussed below, we accept CAISO's tariff revisions, effective August 12, 2019, as requested, subject to CAISO submitting a compliance filing to make the corrections that it represents are unintended errors.

2. CAISO explains that as part of its regular business practice to review and improve the tariff, it identified necessary clarifications and inadvertent errors and inconsistencies, and erroneous cross references. CAISO asserts that the tariff revisions proposed in this filing are not intended to materially change established policies or the rights and obligations of CAISO or its market participants. Rather, its proposed revisions are intended to add additional detail to clarify the meaning of certain tariff provisions,

¹ CAISO included a matrix identifying each proposed tariff revision and specifying the reason for each proposed change. *See* CAISO filing, Attachment A, Matrix of Proposed Changes.

ensure consistency throughout the tariff as well as between the tariff and applicable business practices, and correct typographical and other inadvertent errors.²

3. Notice of CAISO's filing was published in the *Federal Register*, 84 Fed. Reg. 22,837 (2019), with interventions or protests due on or before June 4, 2019. Timely motions to intervene were filed by PacifiCorp; Southern California Edison Company; Calpine Corporation; NRG Power Marketing LLC; Pacific Gas and Electric Company; Northern California Power Agency; the City of Santa Clara, California; Modesto Irrigation District; and Powerex Corp.

4. On June 4, 2019, Six Cities³ filed a motion to intervene and comments. Six Cities state that they do not oppose the intent of any of the clarifications proposed by the CAISO. However, Six Cities identify what they characterize as two errors in CAISO's filing that should be corrected to avoid any misunderstanding or unintended outcomes. First, Six Cities state that CAISO's proposed tariff language in Section 40.9.6.2(d) (Unpaid Funds related to the Determination of an Availability Incentive Payment) would not simply clarify the payout date for surplus Resource Adequacy Availability Incentive Mechanism (RAAIM) funds, but would also change the methodology for the distribution of the funds. The proposed changes include:

Unpaid Funds. Any Non-Availability Charge funds that are not distributed to Resource Adequacy Resources eligible to receive Availability Incentive Payments in a month will be added to the funds available for Availability Incentive Payments in the next month and will continue to roll over to ~~the~~ successive months until the end of the year. The CAISO distributes any unallocated funds remaining after the CAISO settles December monthly RAAIM Non-Availability Charges and Non-Availability Incentive Payments paid out or December 31, at which time the separate pool of undistributed Non-Availability Charge funds collected for local and/or system Resource Adequacy Capacity will be distributed to Load Serving Entities based on their load ratio share for the year. ~~The separate pool of undistributed Non-Availability Charge funds collected for Flexible RA Capacity will be distributed to Load Serving Entities based on their overall ratio of obligation to demonstrate Flexible RA Capacity for the year.~~

² CAISO Transmittal at 1.

³ Six Cities include the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California.

5. Six Cities suggest that in order to accomplish CAISO's stated purpose of clarifying the timing for the distribution of any surplus funds under RAAIM, Section 40.9.6.2(d) of the tariff as redlined should read as follows:

Unpaid Funds. Any Non-Availability Charge funds that are not distributed to Resource Adequacy Resources eligible to receive Availability Incentive Payments in a month will be added to the funds available for Availability Incentive Payments in the next month and will continue to roll over to ~~the successive months~~ until the end of the year. The CAISO distributes any unallocated funds remaining after the CAISO settles December monthly RAAIM Non-Availability Charges and Availability Incentive Payments. ~~paid out or December 31, at which time~~ The separate pool of undistributed Non-Availability Charge funds collected for local and/or system Resource Adequacy Capacity will be distributed to Load Serving Entities based on their load ratio share for the year. The separate pool of undistributed Non-Availability Charge funds collected for Flexible RA Capacity will be distributed to Load Serving Entities based on their overall ratio of obligation to demonstrate Flexible RA Capacity for the year.⁴

6. Second, Six Cities argue that CAISO's stated reason in its transmittal letter for changing the tariff definition of "Scheduling Coordinator Metered Entity" is inconsistent with the change CAISO actually proposed to its tariff.⁵ Six Cities request that CAISO ensure that its reason for revising the definition is consistent with the history of the tariff revision.⁶

7. On June 13, 2019, CAISO filed an answer explaining that the intended purpose of its proposed revisions to tariff Section 40.9.6.2(d) is limited to clarifying that the December RAAIM charges cannot be calculated until after the month is over and that the distribution of funds will be made thereafter, rather than on the last day of the year. CAISO acknowledges that its proposed revisions would have unintentionally modified the allocation methodology for the distribution of the surplus funds. CAISO states that it agrees with Six Cities' proposed tariff language and agrees to make the changes

⁴ Six Cities Comments at 2-3.

⁵ See CAISO Filing, Attachment A, Matrix of Proposed Changes, at 22. In its filing, CAISO proposes to remove utilities that request Unaccounted for Energy as eligible Scheduling Coordinator Metered Entities. Its stated reason for this change "to add additional values for the submission of Settlement Quality Metering Data" was inadvertently omitted.

⁶ Six Cities Comments at 3.

that Six Cities propose in redline above as part of a compliance filing if the Commission so directs.⁷

8. CAISO also acknowledges that it provided an incorrect explanation in its transmittal for changing the definition of “Scheduling Coordinator Metered Entity.” CAISO explains that, in a previous filing, it had inadvertently included utilities that request Unaccounted for Energy as eligible Scheduling Coordinator Metered Entities.⁸ In the instant filing, CAISO explains it proposes to modify the definition to eliminate such entities from the list of eligible Scheduling Coordinator Meter Entities.⁹ CAISO states that this change will have no impact on existing utilities requesting an Unaccounted for Energy calculation because they have always been CAISO Metered Entities.¹⁰

9. Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2018), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2)(2018), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept CAISO’s answer because it has provided information that assisted us in our decision-making process.

10. We accept CAISO’s proposed tariff revisions, subject to condition. We find that the proposed revisions add clarity while ensuring consistency between the tariff and applicable business practices, and correct ministerial and typographical errors. Therefore, we accept the tariff revisions, effective August 12, 2019, as requested, subject to CAISO submitting a compliance filing to revise tariff Section 40.9.6.2(d), consistent with the proposed revisions recommended by Six Cities and agreed to by CAISO in its Answer, within 30 days of the date of this order.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁷ CAISO Answer at 2-3.

⁸ *Id.* at 5.

⁹ *Id.* at 4.

¹⁰ *Id.* at 5. CAISO explains that utilities seeking a separate Unaccounted for Energy calculation must meet all CAISO Metered Entity requirements.