

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

California Independent System) Docket No. ER18-1339-000
Operator Corporation)

**NOTICE OF WITHDRAWAL OF PLEADINGS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO)¹ submits a notice of withdrawal of the two pleadings it has filed in the captioned proceeding: the petition for limited tariff waiver that initiated the proceeding (Waiver Petition); and the answer to comments and protest the CAISO later filed in the proceeding (CAISO Answer).² The CAISO is filing this notice of withdrawal because it is working to obtain more durable and permanent solutions to the issues addressed in the Waiver Petition and CAISO Answer as part of ongoing and upcoming CAISO stakeholder initiatives. Therefore, it is unnecessary to continue this proceeding.

I. Background

On April 11, 2018, the CAISO filed the Waiver Petition to request that the Commission issue an order granting limited waiver of certain provisions in the CAISO tariff to avoid unintended adverse consequences to Powerex Corp. in

¹ Capitalized terms not otherwise defined herein have the meanings set forth in appendix A to the CAISO tariff.

² The CAISO files this notice of withdrawal pursuant to Rule 216 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.216. The notice of withdrawal uses the term CAISO Answer to distinguish that pleading from the answers submitted by other parties in the proceeding.

connection with its voluntary participation in the CAISO's western energy imbalance market (EIM). The CAISO also stated that it intended to resolve the issues the Waiver Petition was intended to address in conjunction with an upcoming EIM offer rules stakeholder process.³

On May 3, 2018, the CAISO filed the CAISO Answer to respond to the comments and protest submitted on the Waiver Petition. The CAISO explained that it had held a technical workshop on April 30, 2018, to consider whether a new stakeholder initiative was needed and that the CAISO would review written comments submitted by market participants and consider the appropriate course of action.⁴ On July 19, 2018, the CAISO held another technical workshop,⁵ at which the CAISO stated that it planned to begin an additional stakeholder initiative on market power mitigation in the first quarter of 2019 that would review both EIM default energy bid and EIM mitigation issues.⁶ The CAISO received additional written comments from stakeholders on the issues addressed at that meeting.

To date, the Commission has not issued any order in this proceeding.

II. Withdrawal of the Waiver Petition and CAISO Answer

Since filing the waiver, although the issues that the CAISO sought to address through the waiver persist, the CAISO has had the benefit of refining,

³ Waiver Petition at 3, 21.

⁴ CAISO Answer at 12-13.

⁵ Materials related to the technical workshops are available on the CAISO website at <http://www.caiso.com/informed/Pages/MeetingsEvents/MiscellaneousStakeholderMeetings/Default.aspx>.

⁶ CAISO presentation entitled "EIM Mitigation" at slide 38 (July 19, 2018). This presentation is available at the website cited immediately above.

with stakeholder input, its understanding of the issues underlying the waiver request and the best process for addressing them. Specifically, the CAISO has determined that the issues raised in the waiver should be addressed in a holistic fashion through the stakeholder initiative previewed at the July 19 technical workshop. Powerex Corp. does not object to the CAISO's withdrawal of these pleadings in favor of seeking a more durable resolution to the issues raised that may be applicable to a broader group of energy-limited market participants. As such, action on the waiver is no longer necessary. Therefore, it is appropriate to withdraw the Waiver Petition and CAISO Answer and terminate this proceeding.

Pursuant to Rule 216 of the Commission's regulations, this notice of withdrawal will become effective August 24, 2018 (*i.e.*, 15 days after it was filed) if no motion is submitted in opposition to the notice of withdrawal and the Commission does not issue an order disallowing the withdrawal within that 15-day period.⁷ If a motion in opposition to the notice of withdrawal is filed within the 15-day period, the withdrawal will become effective only if the Commission issues an order accepting the withdrawal.⁸ The CAISO has no reason to believe any party will oppose this notice of withdrawal and, for the reasons explained above, the withdrawal is appropriate.

⁷ 18 C.F.R. § 385.216(b)(1).

⁸ 18 C.F.R. § 385.216(b)(2).

III. Conclusion

For the foregoing reasons, the Commission should grant this notice of withdrawal.

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Respectfully submitted,

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Dated: August 9, 2018

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, pursuant to 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 9th day of August, 2018.

Isl Grace Clark
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