

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

**California Independent System)
Operator Corporation)** **Docket No. ER20-1890-004**

**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 orders issued in this proceeding on September 17, 2020, and December 8, 2020.¹ The tariff provisions governed by the September 17 Order and December 8 Letter Order both have a January 1, 2021, effective date. During pre-implementation testing the CAISO identified several issues with the software code that require remediation. The CAISO will not complete that remediation in time for the January 1 effective date. The CAISO thus requests a temporary suspension of the effectiveness, or limited waiver, of the tariff revisions accepted in the September 17 Order and December 8 Letter Order until February 1, 2021.

¹ *Cal. Indep. Sys. Operator Corp.*, Letter Order, FERC Docket No. ER20-1890-002 (Dec. 8, 2020) (December 8 Letter Order); *Cal. Indep. Sys. Operator Corp.*, 172 FERC ¶ 61,234 (2020) (September 17 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 May 22, 2020, the CAISO filed tariff amendments in this proceeding to enhance its market rules regarding the treatment of energy transactions scheduled at interties.² The September 17 Order accepted the filed amendments with the requested October 1, 2020, effective date, subject to a compliance filing.³

On September 29, 2020, the CAISO filed a petition for limited tariff waiver to delay implementing the tariff provisions approved in the September 17 Order from October 1, 2020, to January 1, 2021.⁴ The CAISO's September 29 filing explained that software integration issues could not be resolved in time to complete the scheduled market simulation activities and stated that deferring the implementation date was the prudent approach. On November 30, 2020, the Commission issued an order granting the CAISO's request.⁵

During market simulation and pre-implementation testing, the CAISO identified several problems. First, updated E-Tag information in cases of curtailments for non-reliability reasons was not publishing to the E-Tagging system. This problem makes it difficult to ensure deviations subject to the new deviations charge would be assessed properly.

² *Cal. Indep. Sys. Operator Corp.*, Transmittal Letter, FERC Docket No. ER20-1890 (May 22, 2020).

³ The CAISO submitted the compliance filing on September 29, 2020. *Cal. Indep. Sys. Operator Corp.*, Compliance Filing, FERC Docket No. ER20-1890-002 (Sep. 29, 2020). Those amendments were accepted through the December 8 Letter Order. The tariff amendments submitted on compliance and accepted through the December 8 Letter Order have an effective date of January 1, 2021.

⁴ *Cal. Indep. Sys. Operator Corp.*, Waiver Request, FERC Docket No. ER20-1890-001 (Sep. 29, 2020).

⁵ *Cal. Indep. Sys. Operator Corp.*, 173 FERC ¶ 61,185 (2020) (November 30 Order).

Second, the E-Tagging system has not properly accounted for reliability-based curtailments. Under the new rules, deviations caused by an external balancing authority's reliability curtailments are exempt from the deviations charge. As with the first issue, this problem can cause errors in the CAISO's assessment of the deviations charge.

Finally, the CAISO has observed that integration of the new software code has created degraded performance of the CAISO's interchange scheduling interface.

The CAISO must remediate all three of these issues before it implements its new intertie deviations charges. The needed remediation measures are in progress, but the CAISO will not complete them in time for a January 1, 2021, effective date. The CAISO informed its stakeholders of this delay during a December 9, 2020, settlements user group meeting, and plans to discuss it further in related stakeholder forums. The CAISO is confident it can complete the needed remediation to enable a February 1, 2021, implementation date. The CAISO seeks a further one-month delay in implementing the tariff provisions approved in the September 17 Order and the tariff provisions approved on compliance in the December 8 Letter Order.

II. Petition for Waiver

Good cause exists for the Commission to grant a limited waiver to suspend the effectiveness of the tariff revisions accepted in the September 17 Order and the December 8 Letter Order until February 1, 2021. 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.⁶ This waiver petition meets these conditions.

The CAISO has acted in good faith because it is bringing this matter to the Commission as soon as feasible after identifying the issues that are delaying implementation. The waiver is of limited scope because it would only effectuate a one-month delay. The waiver will also remedy a concrete problem – the CAISO’s inability to implement the tariff revisions correctly on January 1. The Commission has recognized it is reasonable to postpone the 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 deploy the software until a later date.⁷ Indeed, the Commission made that determination in the November 30 Order. Further, the waiver will not have undesirable consequences because the CAISO can continue to operate using its existing intertie scheduling practices in the interim.

Therefore, good cause exists to grant the CAISO’s request for limited waiver of the current effective date of February 1, 2021, for the tariff revisions covered by this request.

⁶ See, e.g., *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).

⁷ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 165 FERC ¶ 61,038 (2018); *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,184 (2012).

III. Conclusion

The Commission should find good cause exists to grant this request for limited waiver to permit a further one-month delay in implementing the tariff provisions approved in the September 17 Order and December 8 Letter Order.

Respectfully submitted,

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Dated: December 17, 2020

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 17th day of December, 2020.

/s/ Jacqueline Meredith
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