

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

**California Independent System            )       Docket No. ER15-861-007**  
**Operator Corporation                    )**

**PETITION FOR LIMITED TARIFF WAIVER TO MODIFY EFFECTIVE DATE  
AND REQUEST FOR SHORTENED COMMENT PERIOD 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 order issued in this proceeding on December 17, 2015,<sup>1</sup> and a modest extension of the extension granted by the Commission in its January 4, 2016 order.<sup>2</sup> In the January 4 Order, the Commission granted the CAISO's petition to permit the tariff revisions the Commission previously accepted to become effective no later than March 1, 2016. The CAISO had requested the delay in implementation from January 5, 2016, because of implementation challenges. While the CAISO is now prepared to go live on March 1, 2016, the CAISO requests an additional waiver and extension to no later than March 30, 2016. The additional waiver is necessary to provide additional time for the Commission to rule on two separate but related tariff filings made by the current EIM entities in separate dockets that were

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<sup>1</sup> *Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,305 (2015) (December 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.

<sup>2</sup> *Cal. Indep. Sys. Operator corp.*, 154 FERC ¶ 61,001 (2016) (January 4 Order).

necessary to enable the entities to submit available balancing capacity to the Energy Imbalance Market, as approved by the Commission in this proceeding.<sup>3</sup>

On January 4, 2016, PacifiCorp and Nevada Power Company and Sierra Pacific Power Company (collectively referred to as NV Energy) separately submitted for filing proposed revisions to their respective Open Access Transmission Tariffs (OATT) related to their respective participation in the available balancing capacity administered by the CAISO. PacifiCorp and NV Energy amended their respective OATTs to make conforming changes to implement the remedy accepted by the Commission in the December 17 Order. PacifiCorp and NV energy each requested waiver to permit the OATT modifications to become effective on the latter of February 16, 2016, or the CAISO's actual EIM Available Balancing Capacity activation date.

Because the Commission has not yet issued an order accepting the PacifiCorp and NV Energy tariff amendments, it is uncertain whether PacifiCorp and NV Energy will have authority to participate in the available balancing capacity procedure as of tomorrow. An extension of the implementation date for the available balancing capacity proposal to no later than March 30, 2016, will eliminate regulatory uncertainty and enable a smooth transition to this important EIM enhancement for all affected current EIM entities.

Good cause exists for the Commission to find that this petition satisfies its waiver criteria. The waiver is of limited scope in that it will apply, at most, for

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<sup>3</sup> See PacifiCorp FERC Docket No. ER16-682-000 (January 4, 2016) and Nevada Power Company FERC Docket No. ER15-1196 (January 4, 2016).

approximately 30 additional days. The waiver will also remedy the concrete problem to ensure the existing EIM entities have regulatory certainty over their tariff authority to participate in the available balancing capacity procedure. Further, the waiver will not have undesirable consequences, because it will maintain the status quo. For these reasons, the Commission should grant the petition.

Because of the limited amount of time by which the CAISO is expecting to implement the available balancing capacity proposal at the latest, *i.e.*, March 30, 2016, the CAISO respectfully requests that the Commission provide for a shortened comment period of no more than seven calendar days from the date of this filing, *i.e.*, no later than March 7, 2016.

#### **I. Background**

On August 19, 2015, the CAISO filed proposed tariff modifications to provisions governing the operation of the CAISO's EIM to implement the available balancing capacity mechanism. The available balancing capacity mechanism will enhance EIM functionality by allowing the EIM to automatically recognize and account for capacity that EIM participants have available to maintain reliable operations in their own balancing authority areas, thereby reducing the chance that the EIM will encounter an infeasibility based on false scarcity conditions.

On September 24, 2015, the Commission issued a deficiency letter requesting more information regarding the CAISO's available balancing capacity proposal. On October 21, 2015, the CAISO filed its response to the September

24 letter in which it clarified certain aspects of the available balancing capacity proposal and requested an effective date of January 5, 2016 for the implementing tariff modifications.

In its December 17 Order, the Commission accepted the available balancing capacity proposal to be effective January 5, 2016.<sup>4</sup> On December 23, 2015, the CAISO submitted a request for limited tariff waiver to modify the effective date of the available balancing capacity provisions accepted by the Commission in its December 17 Order that will automate the recognition of available balancing capacity from EIM participants. The CAISO requested that the Commission defer the effectiveness of the available balancing capacity provisions until no later than March 1, 2016. The CAISO explained it could not implement those provisions on January 5, 2016, as directed by the December 17 Order, because of certain implementation challenges and that based on its assessment at the time, it expected that it could implement the available balancing capacity provisions on February 16, 2016. The CAISO requested that the waiver if granted by the Commission be in effect until no later than March 1, 2016, because further complications could arise during additional testing.

On January 4, 2016, the Commission granted the CAISO's petition to permit the tariff revisions the Commission previously accepted to become effective no later than March 1, 2016. The Commission also directed CAISO to notify the Commission of the actual effective date of the tariff revisions within five

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<sup>4</sup> See December 17 Order at Ordering Paragraph (A).

business days of their implementation, in an eTariff submittal using Type of Filing Code 150 – Report.

On January 4, 2016, PacifiCorp NV Energy separately submitted proposed revisions to their respective OATTs related to their respective participation in the available balancing capacity procedure to be administered by the CAISO. PacifiCorp and NV energy each requested waiver to permit the OATT modifications to become effective on the latter of February 16, 2016, or the CAISO's actual EIM available balancing capacity activation date.

On February 16, 2016, the CAISO issued a market notice<sup>5</sup> stating that CAISO would not be implementing on February 16 and planned on activating the available balancing capacity functionality in its production environment on Tuesday, March 1, 2016.

## **II. Need for Tariff Waiver to Suspend Effective Date**

In discussions with PacifiCorp and NV Energy as part of their preparation for the March 1 implementation, the CAISO recognized that if the Commission had not yet issued an order in the PacifiCorp and NV Energy OATT dockets by February 29, 2016, there would be uncertainty over whether the parties have authority to participate in the available balancing capacity procedure as of March 1, 2016. PacifiCorp and NV Energy amended their respective OATTs to permit the OATT modifications to become effective on the latter of February 16, 2016, or the CAISO's actual EIM Available Balancing Capacity activation date. This

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<sup>5</sup> February 16, 2016, CAISO Market Notice;  
<http://www.caiso.com/Documents/ISOProductionActivation3116-AvailableBalancingCapacity.htm>.

request was consistent with the effective date requested in the Petition for Limited Waiver filed by the CAISO in Docket No. ER15-861-007 December 23, 2015, and granted by the Commission in the January 4 Order. However, because the Commission has not yet issued an order in their OATT filing dockets, as of today it is uncertain that the EIM parties will have authority to participate in the available balancing capacity proceeding.

The ISO had planned to activate the available balancing capacity procedure tomorrow, March 1, 2016, and was hopeful that the Commission may have issued an order by today. However, the full sixty days since the parties filed their tariff amendments on January 4, 2016, does not expire until March 4, 2016. While the Commission may issue an order on March 4, 2016, approving the effectiveness of the PacifiCorp and NV Energy OATT amendments as of March 1, 2016, the state of the proceedings creates regulatory uncertainty preventing the parties from proceeding with implementation tomorrow.

Therefore, the CAISO requests that the Commission grant the CAISO a limited tariff waiver to suspend the effectiveness of the modifications accepted in its December 17 Order until no later than March 30, 2016. Based on its current assessment, if the Commission issues an order on by March 4, and an order as early as March 10, 2016, the CAISO can implement the procedure as early as March 16. However, to ensure sufficient time, sequencing of the orders, and notice to market participants, the CAISO requests that the Commission grant a waiver of the tariff revisions until no later than March 30. The CAISO will issue a market notice upon the Commission's issuance of the orders in this proceeding

and the PacifiCorp and NV Energy dockets informing participants as to the actual implementation date.

### **III. Petition for Limited Tariff Waiver**

Good cause exists for the Commission to grant a limited waiver to suspend the effectiveness of the tariff revisions accepted in the December 17 Order until no later than March 30, 2016. The Commission has previously granted requests for tariff waivers in situations where (1) the waiver is of limited scope; (2) a concrete problem needs to be remedied; and (3) the waiver did not have undesirable consequences, such as harming third parties.<sup>6</sup> This waiver petition meets all three conditions.

The waiver is of limited scope in that it will apply for no more than an additional 30 from the March 1, 2016 extension already granted. The CAISO will issue a market notice and make an informational filing with the Commission when it implements the tariff revisions, consistent with the Commission's January 4 Order.<sup>7</sup> The waiver will also remedy the concrete problem of regulatory uncertainty PacifiCorp and NV Energy currently face in participating in the available balancing mechanism on March 1, 2016. Further, the waiver will not have undesirable consequences, because the existing waiver of the CAISO's pricing parameters will remain in effect pending the implementation of the

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<sup>6</sup> See, e.g., *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); *Cal. Indep. Sys. Operator Corp.*, 132 FERC ¶ 61,004, at P 10 (2010).

<sup>7</sup> The Commission has authorized such an approach in granting prior tariff waiver requests. See, e.g., *Cal. Indep. Sys. Operator Corp.*, 149 FERC ¶ 61,285 (2014); *Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,138 (2015).

available balancing capacity proposal, pursuant to the Commission order issued in this proceeding on June 19, 2015.<sup>8</sup> This waiver will effectively maintain the status quo for a short period while allowing the Commission sufficient time to rule on all pending matters and provide the CAISO to implement the tariff revisions as expeditiously and seamlessly as possible. Therefore, good cause exists to grant the CAISO's request for limited waiver of the current effective date of March 1 for the tariff revisions to March 30, 2016.

#### **IV. Request for Shortened Comment Period and Commission Order**

Because of the limited amount of time before the latest date by which the CAISO would like to implement the available balancing capacity procedure, *i.e.*, March 30, 2016, the CAISO respectfully requests that the Commission provide for a shortened comment period regarding this petition for limited tariff waiver of no more than 7 calendar days from the date of this filing, *i.e.*, no later than March 7, 2016. This will allow sufficient time for the Commission to rule on this request and provide the CAISO and the EIM entities sufficient regulatory certainty that they may proceed with the implementation of the available balancing capacity proposal no later than March 30, 2016.

Furthermore, because of the coordination needed with the EIM entities and market participants before launching the new procedure, the CAISO respectfully requests that the Commission issue an order granting this request by March 10, 2016. This will enable the CAISO and parties to launch the new procedure as early as March 16, 2016.

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<sup>8</sup> *Cal. Indep. Sys. Operator Corp.*, 151 FERC ¶ 61,247 (2015).



## V. Conclusion

For the foregoing reasons, the Commission should find that good cause exists to grant a limited waiver to suspend the effectiveness of the tariff revisions to implement the available balancing capacity mechanism accepted in this proceeding, until no later than March 30, 2016, to grant a shortened comment period of no more than 7 calendar days from the date of this filing, and to provide an order in this proceeding by March 10, 2016.

Respectfully submitted,

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Counsel for the California Independent System Operator Corporation

Dated: February 29, 2016

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed in 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 29th day of February, 2016

/s/ Martha Sedgley  
Martha Sedgley