

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

**California Independent System) Docket No. ER19-538-000
Operator Corporation)**

**MOTION FOR LEAVE TO FILE ANSWER AND ANSWER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO
COMMENTS AND PROTESTS**

The California Independent System Operator Corporation (CAISO)¹ submits this answer to comments and protests filed in this proceeding.² The CAISO's December 12, 2018 filing (December 12 Tariff Amendment) seeks to enhance its tariff with descriptions of the CAISO's practice to conform load forecasts in the real-time market and a similar practice in the residual unit commitment process of the day-ahead market. The CAISO also proposes to include in its tariff details of automated functionality that ensures these practices do not result in dispatches that exceed the actual market ramping capability when the dispatched ramp is not necessarily needed in the current interval but rather could be delivered over a longer period and that ensures dispatches are consistent with actual system needs. The Commission should accept all three sets of tariff changes the CAISO proposed in its December 12 Tariff Amendment without further condition.

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

² The following entities filed motions to intervene in the proceeding: Cities of Anaheim, Azusa, Banning, Colton, Pasadena and Riverside, California, (Six Cities), City of Santa Clara, California, the Department of Market Monitoring of the California Independent System Operator Corporation (DMM), Modesto Irrigation District, NRG Energy, Inc., NRG Power Marketing LLC, (NRG), Pacific Gas and Electric Company, PacifiCorp, Powerex Corp., and Southern California Edison Company. NRG also submitted a protest. Six Cities, DMM, and Powerex submitted comments in support of the filing.

None of the parties protesting or commenting on the December 12 Tariff Amendment oppose the CAISO's proposal to describe in its tariff load conforming practices in the real-time market or a similar practice of conforming the load forecast in the residual unit commitment process of the day-ahead market. Most commentators also support the CAISO's proposed changes to the load conformance limiter and the CAISO's commitment to deactivate this feature in two years. This automated feature ensures system operators rely only on the amount of ramping capability necessary to meet the actual system conditions needed over the period of the load forecast adjustment. Although system operators may conform the load forecast in a given interval, the conformance in a particular interval does not necessarily mean conditions are actually scarce.

The CAISO has analyzed the system operators' practices and has determined that because of the limitations that exist in making load conformances, system operators' actions can be coarse in nature and in many intervals may not actually be reflecting actual system needs. During such conditions when no actual scarcity exists it is not just and reasonable to trigger scarcity prices. The proposed enhancement to the load conformance limiter further refines the process to ensure prices reflect scarcity when actual scarcity exists. NRG protests the use of the load conformance limiter all together and requests that the Commission direct the CAISO to disable the use of the limiter immediately.³

³ Although the Commission should accept all three sets of the tariff provisions submitted in the December 12 Tariff Amendment, the three sets are distinct and severable from each other. The description of the load forecast conformances in both the real-time market and the residual

I. Motion for Leave to File Answer

Pursuant to Rules 212 and 213 of the Commission's Rules of Practice and Procedure,⁴ the CAISO respectfully requests waiver of Rule 213(a)(2)⁵ to permit it to answer certain issues in the protests filed in this proceeding. Good cause for the waiver exists because this limited answer will aid the Commission in understanding the issues in this proceeding, provide additional information to assist the Commission in the decision-making process, and help to ensure a complete and accurate record in the case.⁶

II. Answer

A. The Commission should accept CAISO's proposal to include in the CAISO tariff a description of the load conformance practices in the real-time market and the residual unit commitment process.

No party objects to the descriptions of load conformance practices the CAISO proposes to include in the CAISO tariff. These provisions correctly describe and provide notice to market participants of how system operators may

unit commitment process do not affect or relate to each other, or to the load bias conformance limiter. The Commission should consider each set of tariff provisions on their individual merit. The load conformance limiter does not pertain in any way to the adjustments the CAISO system operators make to the load forecast used in the RUC process. Therefore, the Commission should consider those two sets of provisions independent of each other. However, the use of the load conformance limiter is only relevant to the extent that there is a load conformance in the real-time market. Although the Commission can consider the merits of the load conformance practices in the real-time market independent of the load conformance limiter, there would be no purpose the load conformance limiter without the ability to conform the load forecast in the real-time market.

⁴ 18 C.F.R. §§ 385.212, 385.213.

⁵ 18 C.F.R. § 385.213(a)(2).

⁶ See, e.g., *Equitrans, L.P.*, 134 FERC ¶ 61,250 at P 6 (2011); *Cal. Indep. Sys. Operator Corp.*, 132 FERC ¶ 61,023 at P 16 (2010); *Xcel Energy Servs., Inc.*, 124 FERC ¶ 61,011 at P 20 (2008).

modify the load conformance input into the CAISO markets. The Commission should accept these proposed provisions as filed.

Powerex expresses concern “that the frequent and persistent use of the imbalance conformance limiter is currently masking systematic and material underlying market design and/or operational issues in the CAISO real-time markets.”⁷ In particular, Powerex points to data that shows that system operators often adjust the load forecast in the hour-ahead and fifteen minute markets during the evening peak and the morning ramp.⁸ Powerex encourages the CAISO to convene a stakeholder proceeding that holistically evaluates the underlying causes of the frequent load conformances.⁹

DMM recommends that the CAISO seek to reduce the need for system operators to make manual adjustments to the projected demand in the real-time market.¹⁰ DMM notes that “the proposed changes to the load conformance methodology could have a significant impact on prices when the CAISO raises the penalty prices for supply insufficiencies and the energy bid cap applied to qualifying resources to \$2,000/MWh pursuant to FERC Order No. 831.”¹¹

The CAISO recognizes that it must continue to evaluate load conformance practices and ensure that, to the extent possible, load conformances are limited in frequency and more tailored to meet actual system needs. The CAISO has

⁷ Powerex Comments at 5.

⁸ *Id.* at 6.

⁹ *Id.* at 9.

¹⁰ DMM Revised Comments at 4.

¹¹ *Id.* at 3-4.

conducted stakeholder processes and proposed solutions in the past, including the changes proposed in its December 12 Tariff Amendment. The CAISO has also identified enhancements in the December 12 Tariff Amendment it anticipates will enhance the market systems and reduce the need for load conformances.¹² The CAISO is also now considering additional changes that will further reduce the need for load conformances. For example, the CAISO is considering enhancements to the persistence forecasting for variable energy resources and changes to the inertia decline charges to ensure delivery of inertias. The CAISO will continue to evaluate the frequency and nature of load conformances and will share its observations with market participants during its Market Performance and Planning Forum (MPPF) meetings scheduled approximately every eight weeks. The CAISO appreciates that other market design enhancements may be necessary and will continue to work with its stakeholders to develop and implement any such needed enhancements. The Commission need not order the CAISO to continue these efforts because it has already demonstrated its commitment to adopt any measures necessary to reduce the need of load forecast conformances or provide the tools necessary to ameliorate the nature of load forecast conformances.

NRG argues that the CAISO should convene a stakeholder process to discuss any tools it adopts for system operators and “prepare those tools to be presented to the Commission under Section 205 to allow the Commission to

¹² December 12 Tariff Amendment at 21-23.

determine if those modifications are, in fact, just and reasonable.”¹³ The CAISO will continue to discuss any of the tools it may adopt with stakeholders through regularly scheduled MPPF meetings as well as the need for any additional Section 205 filings to implement those tools. The CAISO respectfully requests that the Commission not prejudge the outcome of this effort or the CAISO's stakeholder processes. The CAISO will continue to be open and transparent with all stakeholders on its efforts to implement tools to enhance operator load conformances.

- B. The Commission should also accept the CAISO's enhancements to the load conformance limiter and the CAISO's commitment to act appropriately to remove the limiter in two years, without further conditions.**

The load conformance limiter automatically performs the necessary function of ensuring that system operator-initiated load forecast conformances that enter the market optimization do not exceed the actual market ramping capability and are consistent with actual system needs. The load conformance limiter is necessary because it is not possible for system operators to perfectly estimate and be perfectly aware of the available ramping capability of the system when inputting the conformance. Because the system typically needs the energy dispatched by the conformance several intervals in the future, the load conformance limiter ramps in the conformances to match system ramping capability over several market intervals. The system operator is limited in their ability to ramp in their conformances across multiple market intervals.

¹³ NRG Protest at 15.

Through the stakeholder process that preceded the December 12 Tariff Amendment, the CAISO explained that in some intervals the limiter might be triggered when the additional conformance is in fact necessary for reliable dispatch in the current interval. For this reason, the CAISO and stakeholders developed enhancements to the limiter so that it would be less likely to trigger in those intervals, but it would continue to ensure the load conformance remains within actual market ramping capability or system needs.

NRG argues that the load conformance limiter is unjust and unreasonable because it improperly prevents system operator-triggered scarcity.¹⁴ NRG's criticism of the load conformance limiter and its repeated allegations of price suppression are misplaced and ignore the real purpose of the load conformance limiter.

NRG ignores the fact that not all system operator-initiated conformances in fact convey scarcity conditions. As explained in the December 12 Tariff Amendment, load conformance occurs during intervals with no scarcity because of the limitations system operators face when implementing a load conformance.¹⁵ There is no basis for allowing scarcity pricing when in fact there is no scarcity. No Commission order requires such an outcome because it would be unjust and unreasonable.

NRG also ignores the fact that the load conformance limiter is not configured to suppress prices. The sole purpose of the load conformance limiter

¹⁴ NRG Protest at 12, 13.

¹⁵ December 12 Tariff Amendment at 18.

is to ensure that the load conformance practices do not result in dispatches that exceed the actual market ramping capability when the dispatched ramp is not necessarily needed in the current interval, but rather could be delivered over a longer period that ensures dispatches are consistent with actual system needs. The load conformance limiter as currently configured, or as the CAISO proposes to enhance it in the December 12 Tariff Amendment, may trigger when the load conformance is a positive megawatt change, indicating that the conformance requirement increased between intervals (*i.e.*, conformance was addressing under-supply), or a negative megawatt change, indicating the requirement decreased between intervals (*i.e.*, addressing over-supply).¹⁶ Therefore, the load conformance limiter may limit the load conformance both in the positive or negative direction, which may result in higher prices than anticipated, or in lower prices than anticipated. The CAISO has not configured the load conformance limiter to only trigger when the load conformance is in the positive direction.

As advocated by numerous parties, the CAISO agrees that it is important to provide system operators the tools they need to apply accurate and tailored conformances. Currently, the load conformance limiter automatically performs this function. The load conformance limiter is configured to size the conformance to the available system capacity prior to clearing the market in those intervals, where it is likely that the system operator would not precisely make the conformance. The CAISO and stakeholders have concluded that the CAISO should focus its efforts on improving the accuracy of the inputs that go into the

¹⁶ *Id.* at 11.

market so that the market solution can reflect the most up-to-date system conditions and support reliable system operations. Accordingly, the CAISO proposes to deactivate the load conformance limiter in two years.¹⁷ The two years are necessary, however, to develop and implement the necessary tools and market enhancements to ensure the market inputs are accurate and tailored to system needs.

C. The load conformance limiter, either as designed today or as the CAISO proposes to enhance it, does not violate FERC Order No. 825.

NRG suggests the load conformance limiter is in violation of the Commission's Order No. 825.¹⁸

The Commission's final rule requires that:

Each Commission-approved independent system operator and regional transmission organization must trigger shortage pricing for any interval in which a shortage of energy or operating reserves is indicated during the pricing of resources for that interval.¹⁹

The load conformance limiter does not violate this rule because, under either the CAISO's current market design or the proposal to modify the limiter, once the market systems observe a shortage of energy or ancillary services in a particular interval, the market systems trigger shortage pricing. The load conformance limiter instead targets whether the manual potentially coarse load conformance is in all cases necessary to maintain system reliability in that interval. There is nothing in Order No. 825 that requires the trigger of scarcity

¹⁷ *Id.* at 21.

¹⁸ NRG Protest at 15.

¹⁹ 18 C.F.R. § 35.28(g)(1)(iv)(A).

pricing when a system operator implements a load conformance but no scarcity exists based on the actual conditions at the time. It is also not just and reasonable to require that a load forecast conformance that does not actually represent scarcity in the system trigger scarcity pricing. Allowing coarse manual inputs to the market to trigger false scarcity would have the effect of enabling coarse manual actions to effect costs of service, without providing accurate price signals.

On the other hand, it is just and reasonable to ensure that load conformances that affect the market outcome are limited to those that are actually necessary to manage the system reliably. That is precisely the policy reached through the stakeholder process that preceded the December 12 Tariff Amendment. Consistent with the outcome of that stakeholder process, the CAISO seeks to implement a just and reasonable approach in three important parts. First, the CAISO must continue to implement market design enhancements that will reduce the need for load forecast conformances in the first instance as well as implement tools that support operator's ability to make targeted load forecast conformances tailored towards addressing system reliability needs. Second, with these measures in place, the CAISO can deactivate the load conformance limiter because the use of load forecast conformances should decrease and, when made, conformances should be more tailored and better reflect actual system needs within each interval rather than a coarse directional adjustment that lacks accuracy. Third, the CAISO should enhance the existing load conformance limiter tool so that it targets those

intervals in which it is likely the conformance is a consequence of the limitations system operators face in making these adjustments.

The CAISO agrees with intervenors that it is necessary to decrease the degree to which system operators must rely on load forecast conformances in order to achieve a reliable market dispatch.²⁰ The CAISO has already committed to improve the information and tools its system operators use, as well as enhance its markets to ensure that the market systems accurately capture conditions and the state of the grid in each interval as it proceeds towards deactivating the load conformance limiter. Contrary to the request by Powerex, the Commission need not require the CAISO to submit periodic reports on its progress on eliminating the load conformance limiter because the CAISO is already conducting an open and transparent stakeholder process regarding the tools and enhancements it aims to adopt.²¹ The CAISO will make its proposals publically available to all stakeholders and interested parties. The CAISO and DMM will also continue to report on the nature of load conformances and the degree to which the CAISO system operators trigger the use of the load conformance limiter.

D. There is no evidence that the load conformance limiter has had the effect of suppressing price signals and adversely affecting CAISO market.

Powerex expresses concern that the load conformance limiter has the “greatest effect on prices during those hours of the day in which the CAISO

²⁰ DMM Revised Comments at 2-3, 4, 9; and Powerex Comments at 5.

²¹ December 12, Tariff Amendment at 22; DMM Revised Comments at 13.

typically receives large EIM transfers (*i.e.*, during the morning and evening net load peaks).”²² Powerex relies on Dr. Scott Harvey’s observations in the May 2017 Market Surveillance Committee (MSC) meeting. Dr. Harvey forms his observations based on 2015 and 2016 data obtained from DMM’s quarterly and annual reports. Dr. Harvey noted that the load conformance limiter eliminated a substantial proportion of the shortages of upward ramp capability in the real-time dispatch, with the most frequent impact falling during the evening ramp hours.²³

Powerex, however, does not reference the DMM data presented by Dr. Harvey’s on slide 17, which shows that, at most, the impact of the load conformance limiter was approximately negative \$0.56 per megawatt hour based on prices in the NV Energy balancing authority area.²⁴ Powerex also does not reference Dr. Benjamin F. Hobbs’ analysis of the impact on prices. Dr. Hobbs forms his observations based on DMM’s fourth quarterly report in 2016.²⁵ Dr. Hobbs report that the load conformance limiter had no impact on the fifteen-minute market prices but had a more substantial impact on the real-time dispatch price. Dr. Hobbs notes that on average the impact of the load conformance limiter is a reasonable indication of the effect on potential flexible generation

²² Powerex Comments at 13.

²³ See Powerex Comments at 13 (referencing The Load Bias Limiter, Price Formation, and the Need for Flexible Capacity, Presentation by Dr. Scott Harvey, California Market Surveillance Committee at 14 (May 5, 2017), available at: <http://Impmarketdesign.com/papers/LoadBiasLimiterandFlexibleCapacityFTIConsulting.pdf>.)

²⁴ See The Load Bias Limiter, Price Formation, and the Need for Flexible Capacity, at 17.

²⁵ California ISO Q4 Report on Market Issues and Performance, Department of Market Monitoring (March 6, 2017), available at <http://www.caiso.com/Documents/2016FourthQuarterReport-MarketIssuesandPerformanceMarch2017.pdf>.

revenues in most areas because the positive price adjustments are relatively infrequent and small in magnitude relative to the negative price adjustments when prices are positive.²⁶ This suggests that the load conformance limiter acts less frequently when load forecast adjustments are in the positive direction and more frequently when they are in the negative direction. This cannot support a conclusion of price suppression.

Although Dr. Harvey expresses concern that the load conformance limiter may be impacting prices, the data discussed in the May 2017 MSC meeting does not show definitively that the limiter either in its current format or as the CAISO proposes to enhance it, dampens price signals.

On the other hand, DMM's data that is more recent suggests the load conformance limiter does not have a significant effect on prices. Powerex and NRG do not cite this data. For example, DMM reported in its third quarterly 2018 report that although the load conformance limiter triggered in all of the fifteen-minute market under-supply infeasibilities, during those hours the last economic bid accessible in most intervals was near the bid cap of \$1,000/MWh, the same price the prices would have been set at had the limiter not triggered.²⁷

²⁶ "Analysis of Selected Effects of Load Bias Limiter on CAISO and EIM prices, Oct.-Dec. 2016 Benjamin F. Hobbs, Chair, CAISO Market Surveillance Committee, bhobbs@jhu.edu, May 18, 2017," available at http://www.aiso.com/Documents/Analysis_SelectedEffects_LoadBiasLimiter_CAISO_EIMpricesOctDec2016-Memo-May2017.pdf.

²⁷ California ISO, Q3 2018 Report on Market Issues and Performance, Department of Market Monitoring at 16 (November 1, 2018), available at: <http://www.aiso.com/Documents/2018ThirdQuarterReportonMarketIssuesandPerformance.pdf>.

DMM reported similar findings to the Commission in this proceeding.

DMM stated in their comments:

In the majority of cases in 2018 when the current limiter triggered, the highest dispatched economic bids were at or near the bid cap of \$1,000/MWh such that the resulting price for the under-supply infeasibility, with or without the limiter, was often similar. In most of these cases, proxy demand response (PDR) resources (bid in at the bid cap) were dispatched to provide energy and set the market price. Other unit types including energy storage resources (batteries) and biogas have also been dispatched at bids near the bid cap during these instances when the load conformance limiter triggered.²⁸

There is no reason to believe that these high priced bids will disappear soon. Therefore, even if the load conformance limiter were to act to remove the effect of a load conformance when there actually was scarcity, the market is likely to yield a strong price signal because of the continuous presence of resources with bids at or near the bid caps. DMM's more recently reported data support a conclusion that overall, the load conformance limiter, even as configured today, will not dampen price signals. Moreover, DMM correctly notes that the proposed load conformance limiter is likely to trigger much less frequently than the load conformance limiter as currently configured.²⁹

Finally, consistent with DMM's conclusions, the MSC has recently noted that "the load conformance limiter was relatively ineffective in depressing real-time price during the last few years because of demand response offered at high prices that would set prices close to the power balance penalty price when there

²⁸ DMM Revised Comments at 7.

²⁹ *Id.* at 2.

were power balance violations and the load conformance limiter was applied to reduce real-time prices.”³⁰

E. The CAISO has not violated the Federal Power Act by using the load conformance limiter.

NRG argues that the CAISO has been violating the Federal Power Act because it has implemented the load conformance limiter without FERC authority. NRG further suggests that the CAISO has hidden this from the Commission and stakeholders.³¹ Both arguments are wrong.

The CAISO has authority to formulate the CAISO Forecast of CAISO Demand under the CAISO tariff. The tariff simply states that this forecast is the forecast the CAISO produces.³² EIM entities also may formulate their own load forecasts.³³ The load forecast conformance and the limitations posed on the load forecast conformances by the load conformance limiter are all part of the CAISO and EIM entities efforts to run the market with a load forecast that best represents system conditions and needs while avoiding the potential for coarse manual actions from inaccurately influencing system conditions. The CAISO has openly discussed both load conformances and the existence of the limiter with market participants and the Commission.

³⁰ Bushnell, James, Harvey, Scott M., and Hobbs, Benjamin F., *Opinion on Intertie Deviation*, Members of the Market Surveillance Committee at 8, fn.6 (January 16, 2019), available at http://www.caiso.com/Documents/MS-C-DraftOpiniononIntertieDeviationSettlement-Jan18_2019.pdf.

³¹ NRG Protest at 5.

³² Appendix A to the CAISO tariff defines CAISO Forecast of CAISO Demand as “the forecast of CAISO Demand made by the CAISO for use in the CAISO Market.”

³³ See CAISO Tariff Section 29.34 (d).

In 2015, in Docket No. ER15-861, the CAISO responded to protests by Powerex regarding the use of the load conformance limiter.³⁴ The CAISO also responded to the Commission Staff's further inquiries regarding the use of the limiter and how it functions.³⁵ The CAISO has been discussing the use of the load conformance limiter and its impacts in numerous monthly reports.³⁶ DMM also has been reporting on the use of the load conformance limiter for years. Therefore, this is not the first time the CAISO is informing the Commission of the load conformance limiter as NRG suggests. Although the Commission considered the merits of the load conformance limiter as beyond the scope of Docket ER15-861-006, it did not act on its authority under Section 206 of the Federal Power Act to require the CAISO to include details of the load bias limiter or require it to cease its application until further Commission action.³⁷

³⁴ *Cal. Indep. Sys. Operator Corp.*, Docket No. ER15-861, Motion for Leave to Answer and Answer to Comments and Protests - Energy Imbalance Market Available Balancing Capacity (October 21, 2015), available at http://www.caiso.com/Documents/Oct21_2015_Motion_Leave_Answer_Answer_Comments_Protests_EnergyImbalanceMarketAvailableBalancingCapacity_ER15-861-003.pdf.

³⁵ *Cal. Indep. Sys. Operator Corp.*, Docket No. ER15-861-003, Response to Deficiency Letter Regarding August 19 Filing in Compliance with July 20, 2015, Order (October 21, 2015), available at http://www.caiso.com/Documents/Oct21_2015_Response_Deficiency-Compliance_Filing-EIMABC_ER15-861.pdf. See also, Transcript of April 9, 2015 Notice of Technical Conference held in Washington, DC re *California Independent System Operator Corporation* under ER15-861 *et al.*, at 189:5-192:7, available at <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13841378>.

³⁶ *Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,305 (2015), PP 126-129. See also the CAISO's Monthly Reports on the Energy Imbalance Market Transition Period Prices, filed in Docket No. ER15-2565. The CAISO filed its first report on February 3, 2016 for NV Energy, available at http://www.caiso.com/Documents/Feb3_2016_Dec2015EIMTransitionPeriodReport_NVEnergy_ER15-2565.pdf, DMM also files reports monthly reports for the transition period of EIM entities, see California ISO Report on energy imbalance market issues and performance, Department of Market Monitoring, filed February 10, 2016, Docket No. ER15-2565, available at http://www.caiso.com/Documents/Feb10_2016_Department_MarketMonitoring_Dec2015EIMTransitionPeriodReport_NVEnergy_ER15-2565.pdf. The CAISO continues to file these monthly transition period reports for the first six months of an EIM entities participation in the western EIM.

³⁷ *Id.* at P 126 (2015).

However, the CAISO did not wait for the Commission to take any such action. Rather, the CAISO has continued to evaluate both the conformance system operators make in the CAISO balancing authority area and those in the EIM balancing authority areas. The CAISO regularly reports on the impact of the load conformance and the limiter in the EIM areas to the Commission.³⁸ The CAISO has discussed the impact of load conformance and the limiter at the regularly scheduled MPPF meetings. The CAISO also issued a technical bulletin that discusses the current methodology and the enhancements it was considering at that time.³⁹ Once the CAISO gathered enough information, it launched a stakeholder process to determine what changes it needed to make. The CAISO is now filing what resulted from that stakeholder process.

All intervenors, but NRG, support the CAISO's proposed course of action to proceed with the enhanced load conformance limiter for two more years, while the CAISO develops tools to reduce the frequency of load conformance and enhance the quality of the conformance. Unlike NRG, Six Cities objects to the automatic deactivation of the limiter without confirmation that the tools and enhancements the CAISO seeks function as expected and serve to make the limiter unnecessary.⁴⁰ The CAISO is committed to implementing the tools and enhancements needed to support the deactivation of the load conformance tool

³⁸ See the CAISO's and DMM's EIM Transition Period Reports for EIM entities, filed with the Commission in Docket No. ER15-2565.

³⁹ Technical Bulletin, Load Conformance Limiter Enhancement (December 28, 2016), available at http://www.caiso.com/Documents/TechnicalBulletin_LoadConformanceLimiterEnhancement.pdf.

⁴⁰ Six Cities Comments at 3.

and the CAISO will conduct an open and transparent stakeholder process regarding the state of the tools and enhancements, and whether the tools and enhancements function as intended. The CAISO will submit new tariff amendments pursuant to Section 205 of the Federal Power Act with the outcome of that stakeholder process, as necessary.

III. Conclusion

The Commission should accept the tariff revisions contained in the December 12 Tariff Amendment without condition. The CAISO's tariff revisions provide greater transparency into load conforming practices to ensure system reliability and as well as the tools used to implement load conformance. The CAISO's commitment to deactivate its load conformance limiter in two years provides a reasonable timeframe for the CAISO and stakeholders to develop alternative measures to ensure operators rely only on load conformance when, and for, an accurate amount that is necessary to meet the actual system conditions over the period of the adjustment.

Respectfully submitted,

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Dated: January 17, 2019

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 17th day of January, 2019.

Grace Clark
Grace Clark