

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

**California Independent System) Docket No. ER17-____-000
Operator Corporation)**

**PETITION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION FOR LIMITED TARIFF WAIVER**

The California Independent System Operator Corporation (CAISO) respectfully requests a limited waiver of the July 10, 2017 due date established pursuant to section 43A.6.2 of the CAISO tariff for posting a particular report on the designation of resources under the CAISO's Capacity Procurement Mechanism (CPM).¹ The waiver is necessary because the CAISO requires up to an additional two weeks beyond the due date, *i.e.*, until July 24, 2017, to gather and review information sufficient to ensure that the designation report fully satisfies the requirements in the CAISO tariff.

Good cause exists for the Commission to grant the petition. The CAISO has acted in good faith because it only recently learned it would require additional time to ensure that the designation report fully satisfies the informational requirements in the CAISO tariff. The waiver is of limited scope in that it will apply solely to the due date established pursuant to section 43A.6.2 for posting a single designation report and the extension resulting from the waiver will have a duration of only two weeks. The waiver addresses the concrete problem that more time is needed to make sure the designation report fully satisfies the informational requirements of the CAISO tariff. The waiver will

¹ 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. References to sections herein are references to sections of the CAISO tariff unless otherwise stated.

not have undesirable consequences because it simply will give the CAISO up to an additional two weeks to finalize and post the designation report. No party will be harmed by a delay in posting the information to ensure that it satisfies the CAISO tariff requirements. Indeed, the additional time will ensure that the designation report is more complete and therefore more informative. For these reasons, the Commission should grant the petition for limited tariff waiver.

I. Background

The CAISO has the authority under its tariff to designate eligible capacity to provide CPM capacity services to address specified circumstances, which include a reliability or operational need for an exceptional dispatch CPM.² Section 43A.6.2 of the CAISO tariff states that, following a CPM designation to address such circumstances, “[t]he CAISO shall post a designation report to the CAISO Website and provide a Market Notice of the availability of the report within the earlier of thirty (30) days of procuring a resource under [the CPM tariff provisions] or ten (10) days after the end of the month.” Section 43A.6.2 lists the various information the designation report must include.³

² Tariff section 43A.2. See also tariff sections 43A.2.5, *et seq.* (setting forth provisions on exceptional dispatch CPM designations).

³ Specifically, the designation report must include: (1) a description of the reason for the designation and an explanation of why it was necessary for the CAISO to utilize the CPM authority; (2) the resource name, the amount of CPM capacity or flexible capacity CPM designated, an explanation of why that amount of CPM capacity or flexible capacity CPM was designated, the date CPM capacity was designated, the duration of the designation, and the accepted offer price of the resource, or if the resource has a request pending with the Commission to exceed the CPM soft offer cap, then the CPM soft offer cap along with a notation that the resource has a pending request with the Commission to be compensated above the CPM soft offer cap; (3) if the reason for the designation is a CPM significant event, the CAISO will also include a discussion of the event or events that have occurred, why the CAISO has procured CPM capacity, and how much has been procured, an assessment of the expected duration of the CPM significant event, the duration of the initial designation (30 days), and a statement as to whether the initial designation has been extended and, if it has been extended, the length of the

As required by section 43A.6.1 of the CAISO tariff, the CAISO issued a market notice on June 20, 2017 indicating that it had issued an exceptional dispatch CPM designation to two resources (Mandalay Generating Station Units 1 and 2) for a duration of 30 days to address a system reliability need. The market notice contained a preliminary description of what caused the CPM designation, the name of the resource(s) procured, the preliminary expected duration of the CPM designation, the initial designation period, and an indication that a designation report would be prepared in accordance with section 43A.6.2.

Section 43A.6.2 requires the CAISO to post the designation report ten days after the end of the month in which the CAISO issued the exceptional dispatch CPM designation. In this case, the exceptional dispatch CPM designation occurred in June so the report would be due by July 10, 2017. The CAISO has been working diligently to compile and verify the information to be included in the designation report. Despite these efforts the CAISO has determined that up to an additional two weeks (*i.e.*, until July 24, 2017) are needed to gather and review the information needed to prepare a report that fully satisfies the requirements set forth in the CAISO tariff.

II. Petition for Limited Tariff Waiver

Good cause exists for the Commission to grant a limited, two-week waiver of the July 10, 2017 due date established under CAISO tariff section 43A.6.2 for posting the designation report for the Mandalay units. The Commission previously has granted

extension; and (4) if the reason for the designation is exceptional dispatch CPM capacity, the CAISO will also include information about the CAISO's determination of the quantity and term of the designation.

petitions for tariff waivers in situations 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.⁴ The waiver petition meets all four conditions.

The CAISO has acted in good faith because it only recently learned it would require more time to ensure that the designation report fully satisfies the informational requirements in the CAISO tariff. The CAISO has been working to meet the July 10, 2017 due date but has discovered that additional time is needed to ensure that the report is accurate and complete. The waiver is of limited scope in that it will apply solely to the due date established under section 43A.6.2 for posting the designation report for the Mandalay units, and the extension resulting from the waiver, will have a duration of only two weeks. The waiver addresses the concrete problem that more time is needed to make sure the designation report fully satisfies the informational requirements of the CAISO tariff. Those requirements provide transparency to any interested parties regarding procurement of CPM capacity.⁵ To the extent a designation report contains inaccurate or incomplete information, it may offer less than transparency. Additional time will ensure that the designation report is more complete and therefore more informative. Lastly, the waiver will not have undesirable consequences because it simply will give the CAISO up to an additional two weeks to finalize and post the

⁴ 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).

⁵ See transmittal letter for CAISO tariff amendment to implement interim CPM mechanism, Docket Nos. ER06-615-020 and ER08-556-000, at 51-53 (Feb. 8, 2008) (proposing original version of designation reporting and informational requirements).

designation report. No party will be harmed by a delay in posting the information to ensure that it satisfies the requirements of the CAISO tariff.

Good cause exists to grant the CAISO's petition for limited waiver of the due date established under CAISO tariff section 43A.6.2 for posting the designation report for the Mandalay units.⁶

III. Conclusion

The Commission should find that good cause exists to grant a limited waiver, from July 10, 2017 to July 24, 2017, of the due date established under section 43A.6.2 of the CAISO tariff for posting the report on the exceptional dispatch CPM designation for the Mandalay units.

Respectfully submitted,

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7222
E-mail: aivancovich@caiso.com

Sean A. Atkins
Bradley R. Miliauskas
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
Tel: (202) 239-3300
Fax: (202) 654-4875
E-mail: sean.atkins@alston.com
bradley.miliauskas@alston.com

Counsel for the California Independent System Operator Corporation

Dated: July 10, 2017

⁶ Pursuant to this filing, the CAISO plans to refrain from posting the designation report, which is not yet final, on July 10. The Commission has previously granted requests for limited tariff waiver applicable to dates prior to the date of the Commission's order. See, e.g., *Cal. Indep. Sys. Operator Corp.*, 156 FERC ¶ 61,093, at P 4 (2016); *N.Y. Indep. Sys. Operator, Inc.*, 146 FERC ¶ 61,061, at P 1; *Waterbury Generation LLC*, 120 FERC ¶ 61,007, at PP 1, 3 (2007).