

162 FERC ¶ 61,187  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

March 1, 2018

In Reply Refer To:  
California Independent System  
Operator Corporation  
Docket No. ER18-1-002

California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Attn: David S. Zlotlow

Dear Mr. Zlotlow:

1. On February 14, 2018, the California Independent System Operator Corporation (CAISO) filed a petition for limited tariff waiver (Petition) to modify the effective date of the reliability services initiative (RSI) Phase 1B and Phase 2 tariff provisions that were accepted in the Commission's January 18, 2018 order in this proceeding.<sup>1</sup> Specifically, CAISO seeks to delay the effective date of these tariff provisions from February 15, 2018, until March 16, 2018.
2. In the Petition, CAISO states it requested the February 15, 2018 effective date for the RSI Phase 1B/Phase 2 tariff provisions so that these provisions could apply beginning in April 2018. CAISO explains that during the market simulation process for the RSI Phase 1B/Phase 2 provisions, it discovered that the market settlement statements were flawed due to certain software defects. CAISO states that it believes the issues have been resolved and the settlement statements will be improved. However, CAISO asserts that it would be imprudent to implement the RSI Phase 1B/Phase 2 provisions without providing it and market participants an opportunity to fully validate the settlement

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<sup>1</sup> *Cal. Indep. Sys. Operator Corp.*, 162 FERC ¶ 61,042 (2018) (January 18 Order). The tariff provisions accepted in the January 18 Order focused on improving CAISO's rules governing its resource adequacy program.

processes associated with these changes. Thus, CAISO requests a waiver to delay in the effective date of these tariff provisions from February 15, 2018 until March 16, 2018.<sup>2</sup>

3. CAISO states that good cause exists to grant the Petition because: (1) CAISO has acted in good faith because it promptly filed the Petition upon discovery of the settlement issues; (2) it will be limited in scope because the waiver will only apply from February 15, 2018, through March 16, 2018; (3) it will solve the concrete problem that CAISO cannot implement the tariff provisions on February 15 without risking implementation of potentially flawed systems; and (4) it will not have undesirable consequences because CAISO can continue to operate using its existing resource adequacy tariff provisions in the interim.<sup>3</sup>

4. Notice of CAISO's Petition was published in the *Federal Register*, 83 Fed. Reg. 7708 (2018), with protests and interventions due on or before February 21, 2018. No comments were filed.

5. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.<sup>4</sup> We find that CAISO's unopposed Petition to delay the effective date of its RSI Phase 1B/Phase 2 tariff provisions satisfies the foregoing criteria. First, based on CAISO's representations, we find that CAISO has acted in good faith by promptly filing the Petition upon discovery of the flawed settlements. Second, we find that CAISO's request is limited in scope, because it will delay implementation of the tariff provisions accepted in the January 18 Order for approximately one month, i.e., until March 16, 2018, and retains the status quo during this limited period. Third, we find that this request for waiver addresses the concrete problem that CAISO cannot implement the tariff revisions on February 15 without risking implementation of potentially flawed systems, as discussed above. Fourth, we find that CAISO's request for waiver will prevent undesirable consequences by ensuring that CAISO and market participants have sufficient time to fully validate the settlement processes associated with these changes prior to implementation. For these reasons, we grant CAISO's request for waiver. We also direct CAISO to submit a compliance filing within 15 days of the date of this order

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<sup>2</sup> CAISO Petition at 2-4.

<sup>3</sup> *Id.* at 4-5.

<sup>4</sup> See, e.g., *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 14 (2016); *Calpine Energy Serv., LP*, 154 FERC ¶ 61,082, at P 12 (2016); *New York Power Auth.*, 152 FERC ¶ 61,058, at P 22 (2015).

to revise the effective date of the RSI Phase 1B/Phase 2 tariff provisions accepted in the January 18 Order to reflect the new March 16, 2018 effective date.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.