

March 25, 2021

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER21-955-____**

**Amendment to Tariff Changes to Implement Real-Time
Settlement and Base Schedule Timeline Enhancements, and
Requests for Shortened Comment Period and Waiver of Notice
Requirements to Permit New Effective Date**

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO)¹ submits this amendment (Amendment) to the filing it submitted in this proceeding on January 27, 2021 to revise the CAISO tariff to enhance real-time settlements and base schedule submission in the energy imbalance market (January 27 Tariff Filing).² This Amendment revises the January 27 Tariff Filing to: (1) withdraw the proposed tariff changes set forth therein that will allow energy imbalance market (EIM) entities to submit and account for EIM base schedules below minimum load (Minimum Load Proposal); and (2) extend by one month (*i.e.*, to May 1, 2021) the effective date of the other tariff changes for which the January 27 Tariff Filing requested an April 1, 2021 effective date.

The Minimum Load Proposal has not passed the system testing necessary to allow it to go into effect on April 1, 2021 as requested in the January 27 Tariff Filing. The CAISO plans to resubmit the Minimum Load Proposal in 2021 with a different requested effective date as soon as practical after it passes testing. Because the Minimum Load Proposal is distinct and severable from the other tariff changes proposed in the January 27 Tariff Filing,

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, appendix A to the currently effective CAISO tariff.

² The CAISO submits this Amendment pursuant to section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d, and section 35.17(b) of the Commission's regulations, 18 C.F.R. § 35.17(b).

withdrawing the Minimum Load Proposal will not impact the justness and reasonableness of the remaining elements of the January 27 Tariff Filing. Further, because this Amendment resets the clock under the Commission's regulations, the CAISO believes it is prudent also to extend the requested effective date of other tariff changes in the January 27 Tariff Filing with an April 1 requested effective date from April 1 to May 1, 2021.

To permit this new effective date, the CAISO requests that the Commission require any comments on this Amendment to be filed by April 5, 2021 and issue an order accepting the January 27 Tariff Filing, as modified by this Amendment, no later than April 30, 2021, the last business day prior to May 1. Implementing the changes on May 1 will support the objectives identified in the January 27 Tariff Filing with minimum possible delay. The CAISO requests waiver of the Commission's notice requirements to permit the effective dates requested in the January 27 Tariff Filing as amended herein.

I. Background

In the January 27 Tariff Filing, the CAISO requested that the Commission accept two tranches of changes to its tariff that enhance real-time settlement and base schedule submission in the EIM. The CAISO explained that the tariff changes will support new EIM entity onboarding efforts in 2021 and increase the efficiency of EIM outcomes.

The CAISO requested an effective date of April 1, 2021 for the first tranche of tariff changes, which comprises three distinct and severable elements: (1) settlement of EIM base transfer schedule changes, (2) EIM transfer bid cost recovery adjustment, and (3) the Minimum Load Proposal. The CAISO requested a tentative October 1, 2021 effective date concurrent with the CAISO's Fall 2021 software release for the second tranche of tariff changes, which comprises two elements that are distinct and severable from each other and from the elements addressed in the first tranche: (1) providing each EIM entity the option not to have the CAISO settle unaccounted for energy within its balancing authority area; and (2) a change to the submission timeline for the EIM base schedule. The CAISO also requested that the Commission issue an order accepting both tranches of tariff revisions by April 1, 2021.

Comments on the January 27 Tariff Filing were due February 17, 2021. The Department of Market Monitoring of the CAISO filed comments supporting all of the proposed tariff changes and seven other entities filed motions to intervene.³ No other comments were filed. The Commission has not issued an order on the January 27 Tariff Filing.

³ Specifically, the City of Redding, California, City of Santa Clara, California, Modesto Irrigation District, NV Energy, Inc., Powerex Corp., Salt River Project Agricultural Improvement

II. Amendment to the January 27 Tariff Filing

A. Withdrawal of the Minimum Load Proposal

The CAISO recently determined it will be unable to implement the Minimum Load Proposal, which is contained in the first tranche of the January 27 Tariff Filing, under the previously anticipated schedule. The software changes to implement the Minimum Load Proposal have not yet passed final end-to-end settlement system testing. The setup of the end-to-end test case requires additional time to ensure all information is flowing from bid-to-bill systems. Additional settlement verification is also required after the execution of the end-to-end test case. The CAISO expects to resolve this issue and complete end-to-end testing soon, but it will not be possible to do so by the April 1, 2021 effective date requested in the January 27 Tariff Filing.

For this reason, this Amendment revises the January 27 Tariff Filing to withdraw the Minimum Load Proposal. Specifically, the CAISO withdraws the addition of new tariff section 29.11(b)(3)(D) and the revisions to existing tariff sections 29.34(e)(4) and 29.34(f)(2) proposed in the January 27 Tariff Filing.⁴ The CAISO also withdraws the associated discussion of the Minimum Load Proposal contained in the transmittal letter for the January 27 Tariff Filing, which is primarily found in section II.C of the transmittal letter (pages 8-10 therein).

As explained above, the Minimum Load Proposal the CAISO withdraws in this Amendment is severable from the balance of the proposals contained in the January 27 Tariff Filing. The other tariff changes proposed in that filing remain just and reasonable. The CAISO plans to resubmit the withdrawn Minimum Load Proposal in 2021 as soon practical after the software clears end-to-end testing, with a different requested effective date, in a separate tariff amendment submitted pursuant to section 205 of the FPA.

B. Extension of the Effective Date of the Other Tariff Changes in the First Tranche

As noted above, the first tranche of tariff revisions for which the January 27 Tariff Filing proposed an effective date of April 1, 2021 consist of: (1) settlement of EIM base transfer schedule changes, (2) EIM transfer bid cost recovery adjustment, and (3) the Minimum Load Proposal. Concurrent with the withdrawal of the Minimum Load Proposal, the CAISO proposes to extend the

and Power District, and Southern California Edison Company.

⁴ See attachment B to the January 27 Tariff Filing, which contains red-lined tariff revisions to become effective April 1, 2021.

effective date of the other two elements of the first tranche by one month, to May 1, 2021. Specifically, this extension of the effective date applies to revised tariff sections 11.8.6.3.2(vi)(a), 29.11(q), and 29.11(r) proposed in the January 27 Tariff Filing.⁵

The CAISO is extending the proposed effective date of those tariff changes in recognition of the fact that the submission of this Amendment resets the clock under the Commission's regulations.⁶ The Amendment consists solely of the withdrawal of the Minimum Load Proposal and the extension of the effective date of the other tariff changes in the first tranche. There are no substantive revisions to any aspect of the tariff changes submitted in the January 27 Tariff Filing. Implementing the tariff changes on May 1, 2021 will support the objectives identified in the January 27 Tariff Filing with minimum possible delay. Therefore, the CAISO believes that a one-month extension of the effective date, rather than a longer extension, is appropriate in this case.

III. Requests for Shortened Comment Period and Waiver of Notice Requirements to Permit Commission Order Prior to May 1

To permit the new May 1, 2021 effective date discussed above, the CAISO respectfully requests that the Commission establish a shortened comment period that requires any comments on this Amendment to be filed by April 5, 2021, and that the Commission issue an order accepting both tranches of tariff changes contained in the January 27 Tariff Filing, as modified by this Amendment, by April 30, 2021, the last business day prior to May 1. Apart from the withdrawal of the Minimum Load Proposal and the extension of the effective date of the other tariff changes in the first tranche, the Amendment does not contain any revisions to the tariff changes submitted in the January 27 Tariff Filing, which intervenors have already had sufficient time to review and which no intervenor opposes. Having a Commission order by April 30, 2021 for both tranches of tariff changes will give certainty to the CAISO and EIM entities concerning the implementation of these changes, and will help the CAISO and EIM entities to configure their systems and establish business process changes to support EIM implementation activities during 2021. Therefore, these requests are appropriate.⁷

⁵ See attachment B to the January 27 Tariff Filing, which contains red-lined tariff revisions to become effective April 1, 2021.

⁶ Section 35.17(b) of the regulations states in relevant part that a filing such as the Amendment will "establish a new date on which the entire filing will become effective, in the absence of Commission action, no earlier than 61 days from the date of the filing of the amendment or modification."

⁷ In the event the Commission is unable to issue an order accepting the balance of the proposals in the January 27 Tariff Filing (apart from the withdrawn Minimum Load Proposal) by May 1, 2021, the CAISO requests that the Commission direct the CAISO to submit a compliance

Pursuant to section 35.11 of the Commission's regulations,⁸ the CAISO also respectfully requests waiver of the notice requirements set forth in section 35.3(a)(1) of the Commission's regulations⁹ to allow the first tranche of tariff changes to go into effect on May 1, 2021 and the second tranche of tariff changes tentatively to go into effect on October 1, 2021. Nothing in the proposed withdrawal of the Minimum Load Proposal in the January 27 Tariff Filing affects the justness and reasonableness of the remaining tariff changes proposed in that filing, which are not opposed by any party.

Good cause exists to grant waiver and permit these effective dates. As was true for the April 1, 2021 effective date requested for the first tranche of tariff changes in the January 27 Tariff Filing,¹⁰ the effective date of May 1, 2021 the CAISO now requests for the first tranche will support new EIM entities' planned participation in the EIM in the spring of 2021. Implementing the changes on May 1 will support the objectives identified in the January 27 Tariff Filing with minimum possible delay. Further, a tentative effective date of October 1, 2021 for the second tranche of tariff changes will support certainty of upcoming changes for EIM entities with planned participation in the spring of 2022.¹¹

filing to revise the effective date of the tariff changes in the first tranche (for which the CAISO requests an effective date of May 1) to the first day of the month following the month in which the Commission issues its order. The tariff changes proposed for May 1 have implications for settlements that makes them more appropriately implemented on the first day of the month. This will allow the CAISO the opportunity to prepare for implementation of the requested changes for May 1 on the first day of the month in the event the Commission is unable to issue an order on this Amendment by May 1.

⁸ 18 C.F.R. § 35.11.

⁹ 18 C.F.R. § 35.3(a)(1).

¹⁰ Transmittal letter for January 27 Tariff Filing at 15.

¹¹ Transmittal letter for January 27 Tariff Filing at 15-16.

IV. Communications

Please address communications regarding this filing to the following individual, whose name the CAISO requests the Commission place on the official service list established with respect to this submittal:

John C. Anders
Assistant General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7287
Fax: (916) 608-7222
E-mail: janders@caiso.com

V. Service

The CAISO has served copies of this Amendment on all parties to this proceeding, the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO is posting this Amendment on the CAISO website.

VI. Conclusion

For the reasons set forth in this Amendment, the CAISO withdraws the Minimum Load Proposal and extends to May 1, 2021 the requested effective date of the other tariff changes for which the January 27 Tariff Filing requested an April 1, 2021 effective date. The CAISO also respectfully requests that the Commission require any comments on the Amendment to be filed by April 5, 2021, issue an order accepting the tariff changes proposed in the January 27 Tariff Filing (minus the Minimum Load Proposal withdrawn in this Amendment) by April 30, 2021, and grant waiver of its notice requirements to the extent necessary to permit the effective dates for the tariff changes requested in the January 27 Tariff Filing as amended herein.

Respectfully submitted,

By: /s/ John C. Anders

Roger E. Collanton

General Counsel

John C. Anders

Assistant General Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Counsel for the California Independent
System Operator Corporation