

117 FERC ¶61,196
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

California Independent System Operator

Docket No. ER06-1094-009

ORDER GRANTING REQUEST FOR WAIVERS

(Issued November 16, 2006)

1. On June 1, 2006, the California Independent System Operator (CAISO) filed a request for waivers from the OASIS standards adopted by the Commission in Order No. 676.¹ In this order, the Commission grants the requested waivers, as discussed below.

Background

2. In Order No. 676, the Commission incorporated by reference in its regulations certain standards promulgated by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB). In addition, the Commission directed public utilities to comply with these standards and revise their open access transmission tariffs (OATT) to include these standards. The standards establish a set of business practice standards and communications protocols (Standards WEQ-001, 002, and 003) for the electric industry that replace the Commission's existing Open Access Same-Time Information Systems (OASIS) standards, and also include business practices to complement reliability standards of the North American Electric Reliability Council (NERC) (Standards WEQ-004, 005, 006, and 007). As an alternative to complying with the standards, Order No. 676 gave public utilities the option of applying for a waiver, in whole or part, of the standards.

3. Specifically, Order No. 676 required public utilities to revise their OATTs to include the following WEQ standards: WEQ-001 – Business Practices for Open Access Same-Time Information Systems (OASIS); WEQ-002 – Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication

¹ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676, 71 *Fed. Reg.* 26,199, FERC Stats. & Regs., Regulations Preambles ¶ 31,216, *order on reh'g*, Order No. 676-A, 116 FERC ¶ 61,255 (2006).

Protocols; WEQ-003 -- Open Access Same-Time Information Systems (OASIS) Data Dictionary; WEQ-004 -- Coordinate Interchange; WEQ-005 -- Area Control Error (ACE) Equation Special Cases; WEQ-006 -- Manual Time Error Correction; and WEQ-007 -- Inadvertent Interchange Payback.²

4. As explained above, Order No. 676 also permitted public utilities to request a waiver of specific standards by explaining the reasons why the waiver should be granted. Further, Order No. 676 stated that public utilities, including ISOs and RTOs, that have existing waivers of certain OASIS standards may reapply for such waivers using simplified procedures. These streamlined procedures require an applicant to identify the specific standard(s) from which it seeks waiver and to provide the caption, date, and docket number of the proceeding in which it previously received the waiver. In addition, an applicant must certify that the circumstances warranting its waiver(s) have not changed.³

Description of the Applicant

5. CAISO is a non-profit public benefit corporation organized under the laws of the State of California and is responsible for the reliable operation of a transmission grid comprised of transmission facilities owned by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, Trans-Elect NTD Path 15 LLC, and the Cities of Vernon, Anaheim, Azusa, Banning, Riverside, Pasadena, California. CAISO states that, although it shares similarities with other electric utilities that are required to abide by all OASIS requirements, its status as an Independent System Operator (ISO) and the nature of the markets which it operates necessitate waiver of OASIS standards.

Basis for Granting Waiver

6. In its waiver application, CAISO states that a significant number of OASIS Business Practices implemented by Order No. 676 do not apply to CAISO's operations or to the transmission services it provides and, therefore, compliance with these business practices would constitute an unnecessary and impractical burden. CAISO also states that the Commission recognized the need for the waiver of certain OASIS requirements when it approved CAISO's operation as an ISO, and has twice granted CAISO interim waivers of the Order No. 889 OASIS requirements.⁴ CAISO states that the need for the coordination of OASIS upgrades with its Market Redesign and Technology Upgrade

² Order No. 676 at P 19.

³ *Id.* at P 79.

⁴ *Pacific Gas and Electric Company*, 81 FERC ¶ 61,122 at 61,460 (1997); waiver

(MRTU) initiative, which is scheduled to be implemented in November 2007, will impact its implementation of OASIS and its timetable for compliance with portions of Order No. 676 and to request specific waivers necessitated by MRTU. CAISO requests a complete waiver of OASIS requirements (WEQ-001, 002, and 003), until the MRTU initiative has been approved and implemented.

7. CAISO seeks renewed waiver of the OASIS standards for which it was previously granted waiver and certifies that the circumstances warranting the prior waiver remain valid. In addition, CAISO requests a waiver of the standards relating to redirects and multiple requests. CAISO contends that these provisions are incompatible with the transmission service provided under its tariff. CAISO states that it does not offer point-to-point transmission service (or network service), does not have separate firm and non-firm transmission services and does not offer long-term firm transmission service. According to CAISO, under its transmission service model there are no long-term reservations, redirects or rollover rights and, thus, the new standards cannot be applied to its transmission service model. Similarly, CAISO asserts, the new standards cannot be applied to its system of financial Firm Transmission Rights, which operates by auction, does not operate by “queue,” and does not contemplate redirects of rights from one path to another.

Notices of Filing

8. Notice of the initial filing was published in the *Federal Register* with comments, interventions, and protests due on or before June 22, 2006.⁵ Timely motions to intervene and comments were filed by the Cities of Redding and Santa Clara, California and the M-S-R Public Power Agency (Cities/M-S-R) and by the Transmission Agency of Northern California (TANC).

Discussion

9. Based on the information provided in CAISO’s waiver request, we will grant the requested waivers of the OASIS standards adopted by the Commission in Order No. 676

(WEQ-001, 002, and 003). We will continue the waiver of the existing OASIS standards, because the Commission has previously granted CAISO waiver of the OASIS requirements in Order No. 889, and because the circumstances that led the Commission to grant these waivers remain valid. However, the OASIS waivers granted to CAISO in

extended in *California Independent System Operator Corporation*, 89 FERC ¶ 61,153 at 61,437-38 (1999).

⁵ 71 *Fed. Reg.* 35,644 (2006).

1997 and 1999 were limited and specific. While we renew those waivers here, we caution that we are not extending these waivers to grant a more general waiver than provided in the earlier orders. The same limitations and qualifications stated in those orders shall continue to apply and CAISO is required to comply with any requirements that go beyond the scope of these waivers.

10. We also will grant CAISO's request for waiver of the standards relating to redirects and multiple requests because these standards are incompatible with the transmission services CAISO provides under its tariff. The waiver of all the OASIS standards (WEQ-001, 002, and 003) are granted until CAISO's MRTU initiative has been implemented. We will direct CAISO to either comply with or seek further waiver of the OASIS standards sixty days prior to the date on which it implements its MRTU initiative.

The Commission orders:

(A) CAISO's request for waivers of the Order No. 676 OASIS standards is hereby granted, as discussed in the body of this order.

(B) CAISO is hereby directed to either comply with or seek further waiver request relating to these standards sixty days prior to the date on which it implements its MRTU initiative.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.