



October 28, 2019

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

**Re: California Independent System Operator Corporation
Compliance Filing
Docket No. ER19-1641-_____**

Dear Secretary Bose:

I. Background

The California Independent System Operator Corporation (CAISO) submits this filing in compliance with the Commission's September 27, 2019 order in this proceeding accepting the CAISO's amendments to Reliability Must-Run (RMR) tariff authority and pro forma RMR contract.¹ The Commission's acceptance of the CAISO's April 22 tariff amendment was conditioned upon the CAISO submitting revised tariff language in two specific areas.

First, the Commission directed that the CAISO remove the sentence in CAISO Tariff section 41.2.2(b),² which prevented negotiations between CAISO and the RMR owner until after September 1.³ The CAISO has removed this sentence, which will allow negotiations to begin without regard to this calendar limitation.

Second, the Commission directed the CAISO to revise its tariff to afford the California Public Utilities Commission (CPUC) an opportunity to make adjustments to RMR credits that the CAISO allocates to scheduling coordinators of load serving entities.⁴ The CAISO has revised CAISO Tariff section 41.8 to reflect the CPUC's authority to reallocate the RMR credits that the CAISO allocates to CPUC jurisdictional load serving entities.

¹ *Cal. Indep. Sys. Operator Corp.*, 168 FERC ¶ 61,199 (2019) (September 27 Order).

² The Commission noted section 41.2(b) when the reference should be section 41.2.2(b).

³ September 27 Order a P 60.

⁴ *Id.* at P 92.

III. Contents of Filing

In addition to this transmittal letter, this compliance filing includes the following attachments:

- | | |
|--------------|--|
| Attachment A | Clean CAISO tariff language incorporating the proposed changes in this compliance filing; and |
| Attachment B | Marked CAISO tariff language in red-line showing the proposed changes in this compliance filing. |

III. Conclusion

The CAISO respectfully requests that the Commission accept the CAISO's proposed tariff modifications as fully compliant with the Commission's September 27 Order. If there are any questions regarding this filing, please contact the undersigned.

Respectfully submitted,

/s/ Sidney L. Mannheim

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*Counsel for the California
Independent System Operator
Corporation*

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, in accordance with 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 28th day of October, 2019.

/s/ Grace Clark
Grace Clark

Attachment A – Clean Tariff

Reliability Must-Run and Capacity Procurement Mechanism Enhancements

Compliance Filing

California Independent System Operator Corporation

41.2.2 Processing Retirement/Mothball Notices

The CAISO will process retirement/mothball notices as follows:

* * * * *

- (b) If the Generating Unit is subject to any conditions to provide Resource Adequacy Resource for the upcoming Resource Adequacy Compliance Year and the unit owner is planning to retire or mothball its Generating Unit, the unit owner may submit a notice by the deadline established in the applicable Business Practice Manual which will be in the first quarter of the current Resource Adequacy Compliance Year. The CAISO will study the Generating Unit and post the results of the reliability study to its website by the deadline established in the applicable Business Practice Manual, which will be by the end of the second quarter of the current Resource Adequacy Compliance Year. The CAISO will allow an opportunity of no less than seven (7) days for stakeholders to review and submit comments on the report and will allow Load-Serving Entities the opportunity to procure capacity from the needed Generating Unit. Under Section 41.3, the CAISO will study whether the Generating Unit is needed for reliability in the upcoming Resource Adequacy Compliance Year and may study whether the Generating Unit is needed for reliability by the end of the following Resource Adequacy Compliance Year. If the CAISO finds that a retiring Generating Unit is needed for reliability in either the upcoming Resource Adequacy Compliance Year or by the end of the following Resource Adequacy Compliance Year, the CAISO will grant the Generating Unit an RMR designation for the upcoming Resource Adequacy Compliance Year at the next feasible CAISO Governing Board meeting, conditioned on the Generating Unit not being shown on annual Resource Adequacy showings for the upcoming Resource Adequacy Compliance Year. If the CAISO finds a mothballing Generating Unit is needed for reliability in the upcoming Resource Adequacy Compliance Year, the CAISO will grant the Generating Unit an RMR designation for the upcoming Resource Adequacy Compliance Year at the next feasible

CAISO Governing Board meeting, conditioned on the Generating Unit not being shown on annual Resource Adequacy showings for the upcoming Resource Adequacy Compliance Year.

If the unit owner of a Resource Adequacy Resource provides notice after the deadline specified in the applicable Business Practice Manual, the CAISO will inform the resource of the study results 60 days prior to expiration of the Resource Adequacy contract or 90 days from the date of the notice, whichever is later.

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41.8 Allocating Resource Adequacy Credits for RMR Designations

The CAISO will provide Resource Adequacy credits to the Scheduling Coordinators of Load-Serving Entities that serve load in the applicable TAC Area(s) in which the need for the RMR Contract arose equal to the Load-Serving Entity's pro rata share of the eligible net qualifying capacity of the RMR Resource, which shall be based upon each Load-Serving Entity's proportionate share of the Load-Serving Entity's applicable TAC Area Load at the time of the CAISO's annual coincident Peak Demand set forth in the annual Peak Demand Forecast for the next Resource Adequacy Compliance Year. The credited amount will be broken down into monthly values. Each year, the CAISO will provide information to the CPUC regarding the allocation of Resource Adequacy credits to CPUC-jurisdictional Load Serving Entities to allow the CPUC to determine whether the Load Serving Entity should receive the Resource Adequacy credits the CAISO has allocated. If the CPUC notifies the CAISO of any adjusted initial allocation or subsequent reallocation of RMR credits among the CPUC-jurisdictional Load Serving Entities, the CAISO will reflect the revised allocation in its systems prospectively at the next practicable opportunity. The CPUC subsequent reallocation of RMR credits among CPUC-jurisdictional Load Serving Entities may not exceed the total of the initial RMR credit provided by the CAISO to the Scheduling Coordinators for all CPUC-jurisdictional Load Serving Entities.

Attachment B – Marked Tariff

Reliability Must-Run and Capacity Procurement Mechanism Enhancements

Compliance Filing

California Independent System Operator Corporation

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The CAISO will process retirement/mothball notices as follows:

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- (b) If the Generating Unit is subject to any conditions to provide Resource Adequacy Resource for the upcoming Resource Adequacy Compliance Year and the unit owner is planning to retire or mothball its Generating Unit, the unit owner may submit a notice by the deadline established in the applicable Business Practice Manual which will be in the first quarter of the current Resource Adequacy Compliance Year. The CAISO will study the Generating Unit and post the results of the reliability study to its website by the deadline established in the applicable Business Practice Manual, which will be by the end of the second quarter of the current Resource Adequacy Compliance Year. The CAISO will allow an opportunity of no less than seven (7) days for stakeholders to review and submit comments on the report and will allow Load-Serving Entities the opportunity to procure capacity from the needed Generating Unit. Under Section 41.3, the CAISO will study whether the Generating Unit is needed for reliability in the upcoming Resource Adequacy Compliance Year and may study whether the Generating Unit is needed for reliability by the end of the following Resource Adequacy Compliance Year. If the CAISO finds that a retiring Generating Unit is needed for reliability in either the upcoming Resource Adequacy Compliance Year or by the end of the following Resource Adequacy Compliance Year, the CAISO will grant the Generating Unit an RMR designation for the upcoming Resource Adequacy Compliance Year at the next feasible CAISO Governing Board meeting, conditioned on the Generating Unit not being shown on annual Resource Adequacy showings for the upcoming Resource Adequacy Compliance Year. If the CAISO finds a mothballing Generating Unit is needed for reliability in the upcoming Resource Adequacy Compliance Year, the CAISO will grant the Generating Unit an RMR designation for the upcoming Resource Adequacy Compliance Year at the next feasible

CAISO Governing Board meeting, conditioned on the Generating Unit not being shown on annual Resource Adequacy showings for the upcoming Resource Adequacy Compliance Year. ~~For notices submitted pursuant to this Section 41.2.2, the CAISO will not commence the RMR Contract negotiation process for any Generating Unit the CAISO finds to be needed for reliability until September 1.~~

If the unit owner of a Resource Adequacy Resource provides notice after the deadline specified in the applicable Business Practice Manual, the CAISO will inform the resource of the study results 60 days prior to expiration of the Resource Adequacy contract or 90 days from the date of the notice, whichever is later.

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