Attachment A – Clean Tariff

Compliance Filing – FERC Order No. 895

California Independent System Operator Corporation

October 19, 2023
Appendix A

- Credit Related Information

Credit risk management or mitigation information received from, or provided to, a market operator in accordance with 18 C.F.R. § 35.47(h)(1). The types of Credit Related Information include, but are not limited to, the following:

(a) lists of participants with positions in that market;

(b) reports and metrics around risk and credit exposures;

(c) disclosure that a market participant or affiliate has defaulted on any of its financial or contractual obligations, failed to pay invoices on a timely basis, or failed to meet a collateral call;

(d) information regarding a market participant’s or its affiliate’s unresolved credit/collateral issues;

(e) information indicating that a market participant or its affiliate has an increased risk of default, such as instances where a market participant or its affiliate has experienced a material adverse condition or material adverse change under a market operator’s FERC-approved OATT or related agreement; and

(f) any other information on a market participant or its affiliate that indicates a possible material adverse change in creditworthiness or financial status or an unreasonable credit risk.

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Section 12

12. Creditworthiness

12.1 Credit and Minimum Participation Requirements

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(c) The CAISO will review and verify that prospective Market Participants satisfy the minimum participation requirements set forth in this Section 12.1, and the CAISO will request any information from prospective Market Participants that is needed to complete the CAISO’s review and verification and the CAISO may also request Credit Related Information to complete the CAISO’s review and verification. Further, the CAISO will annually select, on a random basis, up to ten (10) percent of the Market Participants that are not already subject to annual verification as set forth in Section 12.1(b)(ii), and the CAISO will request any information from those randomly selected Market Participants that is needed to review and verify whether the Market Participants continue to satisfy the minimum participation requirements set forth in this Section 12.1 and the CAISO may request Credit Related Information. Each Market Participant randomly selected for annual verification and satisfactorily verified will be exempted from such random verification for the subsequent two (2) years, unless within that two-year period the Market Participant undergoes a Material Change in Financial Condition as set forth in Section 12.1.1.5, in which case the Market Participant will remain subject to random verification within the two-year period. In addition, the CAISO may at any time select any Market Participant for review to determine whether the Market Participant continues to satisfy the minimum participation requirements set forth in this Section 12.1, based on identified risk factors that include, but are not limited to, the CAISO Markets in which the Market Participant is transacting or seeks to transact, the magnitude of the Market
Participant’s transactions or potential transactions, or the volume of the Market Participant’s open positions in the CAISO Markets, or Credit Related Information received from another market operator. Such review by the CAISO based on identified risk factors will not be subject to the two-year period of exemption from random verification.

(d) Each Market Participant shall respond to any CAISO request for information within five (5) Business Days. Failure to provide the requested information within the specified time period may result in the CAISO taking enforcement actions pursuant to Section 12.5. The CAISO may review and verify the information either with or without the assistance of a third party, at the CAISO’s discretion, subject to confidentiality and non-disclosure restrictions, as applicable. The CAISO will provide the Market Participant with a written explanation of any deficiencies in the information provided. For purposes of Section 12, any documentation provided by a prospective or existing Market Participant in compliance with this Section shall be treated as confidential, including any Credit Related Information received from another market operator, and the CAISO shall maintain the confidentiality of all such documents. Any CAISO review and verification of the Market Participant’s risk management policies, procedures, and controls will be conducted according to generally accepted risk management standards that may be developed from time to time and shall include but not be limited to confirmation that:

- The Market Participant’s risk management framework is documented in a risk policy addressing market, credit, and liquidity risks that has been approved by the Market Participant’s risk management governance function, which includes appropriate corporate persons or bodies that are independent of the Market Participant’s trading functions, such as a risk management committee, a designated risk officer, a board or board committee, or a board or committee of the Market Participant’s parent company;

- The Market Participant maintains an organizational structure with clearly defined roles and responsibilities that segregate front-, middle-, and back-office functions to as high a level as is practicable;
- Delegations of authority specify the transactions in which traders are allowed to enter;
- The Market Participant ensures that traders have adequate training and experience relative to their delegations of authority in systems and the markets in which they transact;
- As appropriate, risk limits are in place to control risk exposures;
- Reporting is in place to ensure risks are adequately communicated throughout the organization;
- Processes are in place for independent confirmation of executed transactions; and
- As appropriate, there is periodic evaluation or mark-to-market of risk positions.

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12.1.1 Unsecured Credit Limit

Each Market Participant requesting an Unsecured Credit Limit shall submit an application to the CAISO in the form specified on the CAISO Website. The CAISO shall determine the Unsecured Credit Limit for each Market Participant in accordance with the procedures set forth in the applicable Business Practice Manual. The maximum Unsecured Credit Limit for any Market Participant, and group of Market Participant Affiliates, shall be $50 million. In accordance with the procedures described in the applicable Business Practice Manual, each Market Participant requesting or maintaining an Unsecured Credit Limit is required to submit to the CAISO or its agent financial statements and other information related to its overall financial health as directed by the CAISO. Each Market Participant is responsible for the timely submission of its latest financial statements as well as other information, including, but not limited to, information concerning all entities that are Affiliates or become Affiliates, that may be reasonably necessary for the CAISO to conduct its evaluation. The CAISO shall determine the Unsecured Credit Limit for each Market Participant as described in Sections 12.1.1.1, 12.1.1.1.1, and 12.1.1.1.2.

As a result of the CAISO’s credit evaluation, a Market Participant may be given an Unsecured Credit Limit
by the CAISO or denied an Unsecured Credit Limit with the CAISO. Following the initial application and the establishment of an Unsecured Credit limit, the CAISO will review each Market Participant’s Unsecured Credit Limit on a quarterly basis, unless that entity does not prepare quarterly statements, in which case the review will occur on an annual basis, and no entity shall be required to submit a new application. In addition, the CAISO may review the Unsecured Credit Limit for any Market Participant whenever the CAISO becomes aware of information, including Credit Related Information, that could indicate a Material Change in Financial Condition. In the event the CAISO determines that the Unsecured Credit Limit of a Market Participant must be reduced as a result of a subsequent review due to a reason other than a Material Change in Financial Condition, the CAISO shall notify the Market Participant of the reduction, and shall, upon request, also provide the Market Participant with a written explanation of why the reduction was made. In the event the CAISO determines that the Unsecured Credit Limit of a Market Participant must be reduced as a result of a subsequent review due to a Material Change in Financial Condition, the CAISO shall notify the Market Participant of the reduction in writing and shall provide the Market Participant with a written explanation of the reasons for the reduction, either in advance of the reduction if reasonably practicable or after the reduction was made if providing the written notification and explanation in advance is not reasonably practicable, as set forth in the applicable Business Practice Manual.

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12.1.1.2 Credit Strength Indicators

In determining a Market Participant’s Unsecured Credit Limit, the CAISO may rely on information gathered from financial reporting agencies, the general/financial/energy press, other market operators, and provided by the Market Participant to assess its overall financial health and its ability to meet its financial obligations. Information considered by the CAISO in this process may include the following qualitative factors:

(a) Applicant’s history;

(b) Nature of organization and operating environment;
(c) Management;
(d) Contractual obligations;
(e) Governance policies;
(f) Financial and accounting policies;
(g) Risk management and credit policies;
(h) Market risk including price exposures, credit exposures and operational exposures;
(i) Event risk;
(j) The state or local regulatory environment; and
(k) Affiliate disclosure information provided pursuant to this CAISO Tariff, including Sections 4.14.2.1, 12.1.1, 39.9, and/or 39.11.1.

Material negative information in these areas may result in a reduction of up to one hundred percent (100%) in the Unsecured Credit Limit that would otherwise be granted based on the six-step process described in Section 12.1.1.1. A Market Participant, upon request, will be provided a written analysis as to how the provisions in Section 12.1.1.1 and this section were applied in setting its Unsecured Credit Limit.

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20. Confidentiality

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20.4 Disclosure

Notwithstanding anything in this Section 20 to the contrary,

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(c) The CAISO may disclose confidential or commercially sensitive information, without notice to an affected Market Participant, in the following circumstances:

(i) If the FERC, the Commodity Futures Trading Commission ("CFTC"), or the staff of one of those agencies, during the course of an investigation or otherwise, requests information that is confidential or commercially sensitive. In providing the information to FERC or its staff, the CAISO shall take action consistent with 18 C.F.R. §§ 1b.20 and 388.112, or to the CFTC or its staff, the CAISO shall take action consistent with 17 C.F.R. §§ 11.3 and 145.9, and request that the information be treated as confidential and non-public by the agency and its staff and that the information be withheld from public disclosure. The CAISO shall provide the requested information to the agency or its staff within the time provided for in the request for information. The CAISO shall notify an affected Market Participant within a reasonable time after the CAISO is notified by the agency or its staff that a request for disclosure of, or decision to disclose, the confidential or commercially sensitive information has been received, at which time the CAISO and the affected Market Participant may respond before such information would be made public; or

(ii) If the National Cyber Communication Information Center ("NCCIC," part of the Department of Homeland Security), or a federal agency with similar cybersecurity
responsibilities, or the staff of one of those agencies, requests information that is confidential or commercially sensitive in response to a Cyber Exigency that threatens or has the potential to threaten reliable operation of the CAISO Balancing Authority Area. In providing the information to the agency or its staff, the CAISO shall take action consistent with applicable laws and regulations, as well as other applicable policies or procedures of the agency, and request that the information be treated as confidential and non-public by the agency and its staff and that the information be withheld from public disclosure. The CAISO shall notify an affected Market Participant within a reasonable time after the CAISO is notified by the agency or its staff that a request for disclosure of, or decision to disclose, the confidential or commercially sensitive information has been received, at which time the CAISO and the affected Market Participant may respond before such information would be made public; or

(iii) As provided in 18 C.F.R. § 35.47(h)(1), the CAISO may share Credit Related Information with another market operator if the receiving market operator will treat the Credit Related Information as confidential under the terms set forth in the receiving market operator’s FERC-approved tariff. If the CAISO receives Credit Related Information from another market operator, the CAISO will treat the information in accordance with the confidentiality protections in Section 20. The CAISO will use the Credit Related Information received from another market operator to the same extent and for the same purpose as information received from its own Market Participants.

(iv) In order to maintain reliable operation of the CAISO Balancing Authority Area, the CAISO may share critical operating information, system models, and planning data with the WECC Reliability Coordinator that has executed the Western Electricity Coordinating Council Confidentiality Agreement for Electric System Data, or is subject to similar confidentiality requirements; or

(v) In order to maintain reliable operation of the CAISO Balancing Authority Area, the
CAISO may share individual Generating Unit Outage information with the operations engineering and the outage coordination division(s) of other Balancing Authorities, Participating TOs, MSS Operators and other transmission system operators engaged in the operation and maintenance of the electric supply system whose system is significantly affected by the Generating Unit and who have executed the Western Electricity Coordinating Council Confidentiality Agreement for Electric System Data; or

(vi) In order to maintain reliable operation of the CAISO Balancing Authority Area, the CAISO may share information regarding Maintenance Outages and Forced Outages of natural gas-fired generation resources and Maintenance Outages and Forced Outages of elements of the ISO Controlled Grid with natural gas transmission and distribution utilities operating inter-state and/or intra-state natural gas pipelines that serve natural gas-fired generation resources within the CAISO Balancing Authority Area. The CAISO may share information necessary for day-to-day coordination and longer term planning of gas transmission and pipeline outages which information includes, but is not limited to, the identity of individual natural gas-fired generation resources that are needed to support reliability of the ISO Balancing Authority Area in the event of natural gas shortage, natural gas pipeline testing and maintenance, or other curtailment of natural gas supplies. The information will be shared only pursuant to a non-disclosure agreement and non-disclosure statement included as part of the Business Practice Manual.

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Attachment B – Marked Tariff

Compliance Filing – FERC Order No. 895

California Independent System Operator Corporation

October 19, 2023
Appendix A

Credit Related Information

Credit risk management or mitigation information received from, or provided to, a market operator in accordance with 18 C.F.R. § 35.47(h)(1). The types of Credit Related Information include, but are not limited to, the following:

(a) lists of participants with positions in that market;

(b) reports and metrics around risk and credit exposures;

(c) disclosure that a market participant or affiliate has defaulted on any of its financial or contractual obligations, failed to pay invoices on a timely basis, or failed to meet a collateral call;

(d) information regarding a market participant’s or its affiliate’s unresolved credit/collateral issues;

(e) information indicating that a market participant or its affiliate has an increased risk of default, such as instances where a market participant or its affiliate has experienced a material adverse condition or material adverse change under a market operator’s FERC-approved OATT or related agreement; and

(f) any other information on a market participant or its affiliate that indicates a possible material adverse change in creditworthiness or financial status or an unreasonable credit risk.

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Section 12

12. Creditworthiness

12.1 Credit and Minimum Participation Requirements

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(c) The CAISO will review and verify that prospective Market Participants satisfy the minimum participation requirements set forth in this Section 12.1, and the CAISO will request any information from prospective Market Participants that is needed to complete the CAISO’s review and verification and the CAISO may also request Credit Related Information to complete the CAISO’s review and verification. Further, the CAISO will annually select, on a random basis, up to ten (10) percent of the Market Participants that are not already subject to annual verification as set forth in Section 12.1(b)(ii), and the CAISO will request any information from those randomly selected Market Participants that is needed to review and verify whether the Market Participants continue to satisfy the minimum participation requirements set forth in this Section 12.1 and the CAISO may request Credit Related Information. Each Market Participant randomly selected for annual verification and satisfactorily verified will be exempted from such random verification for the subsequent two (2) years, unless within that two-year period the Market Participant undergoes a Material Change in Financial Condition as set forth in Section 12.1.1.5, in which case the Market Participant will remain subject to random verification within the two-year period. In addition, the CAISO may at any time select any Market Participant for review to determine whether the Market Participant continues to satisfy the minimum participation requirements set forth in this Section 12.1, based on identified risk factors that include, but are not limited to, the CAISO Markets in which the Market Participant is transacting or seeks to transact, the magnitude of the Market
Participant’s transactions or potential transactions, or the volume of the Market
Participant’s open positions in the CAISO Markets, or Credit Related Information received
from another market operator. Such review by the CAISO based on identified risk factors
will not be subject to the two-year period of exemption from random verification.

(d) Each Market Participant shall respond to any CAISO request for information within five
Business Days. Failure to provide the requested information within the specified time
period may result in the CAISO taking enforcement actions pursuant to Section 12.5.

The CAISO may review and verify the information either with or without the assistance of
a third party, at the CAISO’s discretion, subject to confidentiality and non-disclosure
restrictions, as applicable. The CAISO will provide the Market Participant with a written
explanation of any deficiencies in the information provided. For purposes of Section 12,
any documentation provided by a prospective or existing Market Participant in
compliance with this Section shall be treated as confidential, including any Credit Related
Information received from another market operator, and the CAISO shall maintain the
confidentiality of all such documents. Any CAISO review and verification of the Market
Participant’s risk management policies, procedures, and controls will be conducted
according to generally accepted risk management standards that may be developed from
time to time and shall include but not be limited to confirmation that:

- The Market Participant’s risk management framework is documented in a risk
  policy addressing market, credit, and liquidity risks that has been approved by
  the Market Participant’s risk management governance function, which includes
  appropriate corporate persons or bodies that are independent of the Market
  Participant’s trading functions, such as a risk management committee, a
designated risk officer, a board or board committee, or a board or committee of
  the Market Participant’s parent company;

- The Market Participant maintains an organizational structure with clearly defined
  roles and responsibilities that segregate front-, middle-, and back-office functions
to as high a level as is practicable;
- Delegations of authority specify the transactions in which traders are allowed to enter;
- The Market Participant ensures that traders have adequate training and experience relative to their delegations of authority in systems and the markets in which they transact;
- As appropriate, risk limits are in place to control risk exposures;
- Reporting is in place to ensure risks are adequately communicated throughout the organization;
- Processes are in place for independent confirmation of executed transactions; and
- As appropriate, there is periodic evaluation or mark-to-market of risk positions.

12.1.1 Unsecured Credit Limit

Each Market Participant requesting an Unsecured Credit Limit shall submit an application to the CAISO in the form specified on the CAISO Website. The CAISO shall determine the Unsecured Credit Limit for each Market Participant in accordance with the procedures set forth in the applicable Business Practice Manual. The maximum Unsecured Credit Limit for any Market Participant, and group of Market Participant Affiliates, shall be $50 million. In accordance with the procedures described in the applicable Business Practice Manual, each Market Participant requesting or maintaining an Unsecured Credit Limit is required to submit to the CAISO or its agent financial statements and other information related to its overall financial health as directed by the CAISO. Each Market Participant is responsible for the timely submission of its latest financial statements as well as other information, including, but not limited to, information concerning all entities that are Affiliates or become Affiliates, that may be reasonably necessary for the CAISO to conduct its evaluation. The CAISO shall determine the Unsecured Credit Limit for each Market Participant as described in Sections 12.1.1.1, 12.1.1.1.1, and 12.1.1.1.2.

As a result of the CAISO’s credit evaluation, a Market Participant may be given an Unsecured Credit Limit
by the CAISO or denied an Unsecured Credit Limit with the CAISO. Following the initial application and
the establishment of an Unsecured Credit limit, the CAISO will review each Market Participant’s
Unsecured Credit Limit on a quarterly basis, unless that entity does not prepare quarterly statements, in
which case the review will occur on an annual basis, and no entity shall be required to submit a new
application. In addition, the CAISO may review the Unsecured Credit Limit for any Market Participant
whenever the CAISO becomes aware of information, including Credit Related Information, that could
indicate a Material Change in Financial Condition. In the event the CAISO determines that the
Unsecured Credit Limit of a Market Participant must be reduced as a result of a subsequent review due to
a reason other than a Material Change in Financial Condition, the CAISO shall notify the Market
Participant of the reduction, and shall, upon request, also provide the Market Participant with a written
explanation of why the reduction was made. In the event the CAISO determines that the
Unsecured Credit Limit of a Market Participant must be reduced as a result of a subsequent review due to a Material
Change in Financial Condition, the CAISO shall notify the Market Participant of the reduction in writing
and shall provide the Market Participant with a written explanation of the reasons for the reduction, either
in advance of the reduction if reasonably practicable or after the reduction was made if providing the
written notification and explanation in advance is not reasonably practicable, as set forth in the applicable

12.1.1.2 Credit Strength Indicators

In determining a Market Participant’s Unsecured Credit Limit, the CAISO may rely on information
gathered from financial reporting agencies, the general/financial/energy press, other market operators,
and provided by the Market Participant to assess its overall financial health and its ability to meet its
financial obligations. Information considered by the CAISO in this process may include the following
qualitative factors:

(a) Applicant’s history;

(b) Nature of organization and operating environment;
(c) Management;
(d) Contractual obligations;
(e) Governance policies;
(f) Financial and accounting policies;
(g) Risk management and credit policies;
(h) Market risk including price exposures, credit exposures and operational exposures;
(i) Event risk;
(j) The state or local regulatory environment; and
(k) Affiliate disclosure information provided pursuant to this CAISO Tariff, including Sections 4.14.2.1, 12.1.1, 39.9, and/or 39.11.1.

Material negative information in these areas may result in a reduction of up to one hundred percent (100%) in the Unsecured Credit Limit that would otherwise be granted based on the six-step process described in Section 12.1.1.1. A Market Participant, upon request, will be provided a written analysis as to how the provisions in Section 12.1.1.1 and this section were applied in setting its Unsecured Credit Limit.

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Section 20

20. Confidentiality

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20.4 Disclosure

Notwithstanding anything in this Section 20 to the contrary,

* * * *

(c) The CAISO may disclose confidential or commercially sensitive information, without notice to an affected Market Participant, in the following circumstances:

(i) If the FERC, the Commodity Futures Trading Commission ("CFTC"), or the staff of one of those agencies, during the course of an investigation or otherwise, requests information that is confidential or commercially sensitive. In providing the information to FERC or its staff, the CAISO shall take action consistent with 18 C.F.R. §§ 1b.20 and 388.112, or to the CFTC or its staff, the CAISO shall take action consistent with 17 C.F.R. §§ 11.3 and 145.9, and request that the information be treated as confidential and non-public by the agency and its staff and that the information be withheld from public disclosure. The CAISO shall provide the requested information to the agency or its staff within the time provided for in the request for information. The CAISO shall notify an affected Market Participant within a reasonable time after the CAISO is notified by the agency or its staff that a request for disclosure of, or decision to disclose, the confidential or commercially sensitive information has been received, at which time the CAISO and the affected Market Participant may respond before such information would be made public; or

(ii) If the National Cyber Communication Information Center ("NCCIC," part of the Department of Homeland Security), or a federal agency with similar cybersecurity
responsibilities, or the staff of one of those agencies, requests information that is confidential or commercially sensitive in response to a Cyber Exigency that threatens or has the potential to threaten reliable operation of the CAISO Balancing Authority Area. In providing the information to the agency or its staff, the CAISO shall take action consistent with applicable laws and regulations, as well as other applicable policies or procedures of the agency, and request that the information be treated as confidential and non-public by the agency and its staff and that the information be withheld from public disclosure. The CAISO shall notify an affected Market Participant within a reasonable time after the CAISO is notified by the agency or its staff that a request for disclosure of, or decision to disclose, the confidential or commercially sensitive information has been received, at which time the CAISO and the affected Market Participant may respond before such information would be made public; or

(iii) As provided in 18 C.F.R. § 35.47(h)(1), the CAISO may share Credit Related Information with another market operator if the receiving market operator will treat the Credit Related Information as confidential under the terms set forth in the receiving market operator's FERC-approved tariff. If the CAISO receives Credit Related Information from another market operator, the CAISO will treat the information in accordance with the confidentiality protections in Section 20. The CAISO will use the Credit Related Information received from another market operator to the same extent and for the same purpose as information received from its own Market Participants.

(ivii) In order to maintain reliable operation of the CAISO Balancing Authority Area, the CAISO may share critical operating information, system models, and planning data with the WECC Reliability Coordinator that has executed the Western Electricity Coordinating Council Confidentiality Agreement for Electric System Data, or is subject to similar confidentiality requirements; or

(iv) In order to maintain reliable operation of the CAISO Balancing Authority Area, the
CAISO may share individual Generating Unit Outage information with the operations engineering and the outage coordination division(s) of other Balancing Authorities, Participating TOs, MSS Operators and other transmission system operators engaged in the operation and maintenance of the electric supply system whose system is significantly affected by the Generating Unit and who have executed the Western Electricity Coordinating Council Confidentiality Agreement for Electric System Data; or

(vi) In order to maintain reliable operation of the CAISO Balancing Authority Area, the CAISO may share information regarding Maintenance Outages and Forced Outages of natural gas-fired generation resources and Maintenance Outages and Forced Outages of elements of the ISO Controlled Grid with natural gas transmission and distribution utilities operating inter-state and/or intra-state natural gas pipelines that serve natural gas-fired generation resources within the CAISO Balancing Authority Area. The CAISO may share information necessary for day-to-day coordination and longer term planning of gas transmission and pipeline outages which information includes, but is not limited to, the identity of individual natural gas-fired generation resources that are needed to support reliability of the ISO Balancing Authority Area in the event of natural gas shortage, natural gas pipeline testing and maintenance, or other curtailment of natural gas supplies. The information will be shared only pursuant to a non-disclosure agreement and non-disclosure statement included as part of the Business Practice Manual.