

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Idaho Power Company

)

Docket No. ER17-2075-000

**MOTION TO INTERVENE OUT-OF-TIME AND COMMENTS OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“CAISO”) respectfully files this motion to intervene and comments in the above-identified proceeding.¹ This proceeding concerns the July 12, 2017 submission by Idaho Power Company (“Idaho Power”) of amendments to its Open Access Transmission Tariff (“OATT”) to implement in three phases its full participation in the CAISO’s energy imbalance market (“EIM”), which is scheduled to begin on April 4, 2018.² The energy imbalance market is the vehicle by which balancing authority areas outside the CAISO’s balancing authority area participate in the CAISO’s real-time market. The energy imbalance market commenced on November 1, 2014 with PacifiCorp’s two balancing authority areas.³

¹ The CAISO makes this filing pursuant to Rules 212 and 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.214. The CAISO requests that the Commission grant its motion to intervene because the CAISO will be the market operator referenced in Idaho Power’s filing in this proceeding. As such, the CAISO has a direct and substantial interest in the proceeding. Because no other party can adequately represent the CAISO’s interests in the proceeding, the CAISO’s intervention is in the public interest and should be granted.

² Specifically, pursuant to its implementation schedule, Idaho Power requests that the Commission (1) accept definitional changes to the OATT effective September 11, 2017; (2) accept operational changes to the OATT effective on the later of January 25, 2018 or seven days prior to parallel operations; and (3) accept the settlement changes to the OATT effective the later of April 4, 2018 or the date full participation begins. See Transmittal letter for Idaho Power filing at 9.

³ See *Cal. Indep. Sys. Operator Corp.*, 147 FERC ¶ 61,231 (2014) (conditionally accepting tariff revisions to implement energy imbalance market); *Cal. Indep. Sys. Operator Corp.*, 149 FERC ¶ 61,058 (2014) (order denying requests for rehearing, granting in part and denying in part

The OATT amendments that Idaho Power proposes represent the successful culmination of its effort to develop the necessary mechanisms and tariff amendments. This effort included stakeholder participation and coordination with the CAISO, and the resulting amendments are consistent with the CAISO tariff provisions that implement the energy imbalance market. Idaho Power's OATT amendments largely track amendments that other entities have made to their OATTs to facilitate their participation in the energy imbalance market, which the Commission has accepted as just and reasonable.⁴ Accordingly, the CAISO supports Idaho Power's proposed OATT amendments and requests that the Commission accept them as filed effective as of the dates requested.⁵

requests for clarification, and conditionally accepting tariff revisions on compliance with regard to order listed above); Commission Letter Order, 149 FERC ¶ 61,005 (2014) (order granting CAISO request to extend effective date of energy imbalance market tariff revisions from September 23, 2014, to October 24, 2014, for trading day November 1, 2014).

⁴ See *PacifiCorp*, 147 FERC ¶ 61,227, *order denying reh'g and clarification and conditionally accepting compliance filing*, 149 FERC ¶ 61,057 (2014), *order denying reh'g*, 150 FERC ¶ 61,084 (2015) (authorizing participation of PacifiCorp in the energy imbalance market); *Nev. Power Co.*, 151 FERC ¶ 61,131, *reh'g denied*, 153 FERC ¶ 61,306 (2015) (authorizing participation of NV Energy in the energy imbalance market); *Puget Sound Energy, Inc.*, 155 FERC ¶ 61,111 (2016) (authorizing participation of Puget Sound Energy in the energy imbalance market); *Ariz. Pub. Serv. Co.*, 155 FERC ¶ 61,112, *order on compliance, clarification, and reh'g*, 156 FERC ¶ 61,227 (2016) (authorizing participation of Arizona Public Service in the energy imbalance market); *Portland General Elec. Co.*, Commission Letter Order, Docket No. ER17-1075-000 (Apr. 19, 2017) (authorizing participation of Portland General Electric in the energy imbalance market).

⁵ The CAISO's support extends to Idaho Power OATT provisions associated with a CAISO energy imbalance market implementation requirement, with or without EIM entity discretion, as being consistent with the CAISO tariff and the EIM Entity Agreement. The CAISO takes no position herein on matters solely between Idaho Power and its customers.

I. Motion to Intervene Out of Time

The CAISO moves to intervene one day out of time and to file comments in this proceeding. Rule 214(d) of the Commission's regulations⁶ provides that, in acting on any motion to intervene filed out of time, the Commission will consider whether: (i) the movant has good cause for failing to file the motion within the time prescribed; (ii) the granting of the motion will disrupt the proceeding; (iii) the movant's interest is not adequately represented by other parties in the proceeding; (iv) any prejudice to, or additional burdens upon, the existing parties might result from permitting intervention; and (v) the motion conforms to the regulations set forth in Rule 214(b).

The CAISO did not timely intervene as a result of administrative oversight, and a tardy intervention will not disrupt this proceeding. As explained in footnote 1 above, The CAISO requests that the Commission grant its motion to intervene because the CAISO will be the market operator referenced in Idaho Power's filing in this proceeding. As such, the CAISO has a direct and substantial interest in the proceeding. Because no other party can adequately represent the CAISO's interests in the proceeding, the CAISO's intervention is in the public interest and respectfully requests that the Commission grant the CAISO's motion to intervene out of time and to file late comments.

II. Comments in Support of Idaho Power's OATT Amendments

The CAISO supports Idaho Power's proposed OATT amendments to implement its participation in the energy imbalance market. Idaho Power has

⁶ 18 C.F.R. § 385.215(b)

determined that the energy imbalance market will benefit its customers and made the decision to move forward accordingly. The proposed OATT amendments are a necessary step to implement that decision, a step the CAISO supports. The CAISO's comments generally focus on the consistency of the OATT amendments with the CAISO's energy imbalance market rules.

A. Idaho Power's Proposed Amendments Provide for the Relationships Necessary to Implement the Energy Imbalance Market.

The energy imbalance market requires an enabling relationship between the CAISO as the market operator and Idaho Power as the EIM entity. For this role, Idaho Power must have OATT provisions in effect to enable operation of the CAISO's real-time market in its balancing authority area in accordance with the CAISO tariff.⁷ Idaho Power's filing represents its proposal to fulfill that commitment.

The energy imbalance market design also recognizes the continued obligations of Idaho Power as a balancing authority, as well as its role as a transmission service provider and the associated relationships with its transmission customers, who may or may not choose to bid their resources into the energy imbalance market. Idaho Power in some cases accounts for these relationships under its OATT, as amended by its filing, and in others by reference to the CAISO tariff.⁸ For example, Idaho Power will continue to provide

⁷ See CAISO tariff, Appendix B.17 (setting forth EIM Entity Agreement that includes a requirement in section 2.2 to have in effect tariff provisions that enable operation of the real-time market in accordance with the CAISO tariff).

⁸ See Idaho Power OATT, Attachment O (comprising most of the provisions necessary to implement the energy imbalance market).

imbalance energy services to loads and non-participating resources, but resources participating in the energy imbalance market will supply imbalance energy through the energy imbalance market and the CAISO will settle directly with those resources.⁹ This structure accords with the CAISO tariff, as well as the structure of other entities participating in the EIM, as approved by the Commission.

Idaho Power's OATT amendments also appropriately provide for the elections that an EIM entity must make in accordance with the CAISO tariff. The CAISO tariff allows each EIM entity the opportunity to configure its administration of the energy imbalance market consistently with its customers' needs and the manner in which it operates its transmission system, including with respect to metering, load aggregation points, and load forecasting. The CAISO tariff imposes a number of obligations on the EIM entity to gather the information necessary to support the resource plans and base schedule requirements associated with the energy imbalance market. Idaho Power's proposed OATT amendments provide workable mechanisms, including those that allow Idaho Power to aggregate critical information in a timely and orderly manner and to account for available balancing capacity.

The CAISO tariff also allows EIM entities to determine the eligibility requirements for resources to participate in the energy imbalance market. Idaho Power's OATT amendments include, for instance, a non-firm transmission

⁹ See Idaho Power OATT, Schedules 4 and 10 (proposing changes to the energy imbalance services and generator imbalance services provided to its transmission customers).

service option. This ensures that any resource within Idaho Power's balancing authority area will have the opportunity to participate if it maintains a transmission service agreement as a condition of participation.

Idaho Power's proposed OATT amendments, in addition to addressing Idaho Power's role as transmission service provider, make clear that Idaho Power maintains certain operational responsibility as the balancing authority and transmission operator. This is consistent with the structure of the energy imbalance market, which does not modify, change, or otherwise alter the manner in which the CAISO and EIM entities manage their respective balancing authority areas or operate their transmission systems in accordance with the applicable reliability standards, tariffs, or contracts. The energy imbalance market accounts for actions that EIM entities take to fulfill these responsibilities as manual dispatches of resources and scheduling curtailments associated with unscheduled flow and other mitigation procedures and does not interfere with any EIM participant's obligation to comply with the balancing authority requirements imposed by the EIM entity. The energy imbalance market simply represents a more efficient means to deliver imbalance energy services within and between each participating balancing authority area.

B. Idaho Power's Proposed Amendments Account for the Transmission That Will Be Made Available in Real-Time.

Transmission service is essential for operation of the energy imbalance market and Idaho Power, as a transmission service provider, has accounted for this under its proposed OATT amendments. As noted above, participating resources must meet Idaho Power's transmission eligibility requirements set forth

in Attachment O to its OATT. In addition, Idaho Power has committed to providing the CAISO with all the relevant information associated with its transmission system, both in advance and in real-time, by providing its network model and outage information. This will allow the CAISO to accurately model the Idaho Power transmission system and, in combination with the base schedules, to perform its market operator function, including congestion management based on the most economic resources available.

Idaho Power sets the rates, terms, and conditions of transmission service for its transmission customers under its OATT, as does the CAISO for its transmission customers under its tariff. The energy imbalance market will involve real-time transfers between the CAISO and Idaho Power balancing authority areas. Under its OATT amendments, Idaho Power will not assess incremental transmission charges for transmission use related to the energy imbalance market. This approach is the same as that approved by the Commission relating to the participation of PacifiCorp, NV Energy, Arizona Public Service, and Puget Sound Energy in the energy imbalance market.¹⁰ Idaho Power proposes to use both interchange rights and available transfer capability to support EIM transfers. The Commission approved this approach when PacifiCorp proposed to add available transfer capability to the interchange rights holder mechanism originally adopted by PacifiCorp. The CAISO supports the use of both these mechanisms.

¹⁰ See PacifiCorp OATT, Attachment T; NV Energy OATT, Attachment P; Arizona Public Service OATT, Attachment Q; Puget Sound Energy OATT, Attachment O.

Idaho Power's OATT amendment appropriately reflects and implements the provisions of the CAISO's tariff that address such transfers.¹¹

C. Idaho Power's Proposed Amendments Facilitate Settlement of Energy Imbalance Market Charges Not Otherwise Directly Accounted for by the CAISO.

The energy imbalance market allows each EIM entity to settle a variety of charge types allocated to it by the CAISO in accordance with the EIM entity's tariff. This flexibility represents an important aspect of the energy imbalance market design, but requires the EIM entity to modify its pre-existing settlement provisions with its transmission customers. Idaho Power appropriately accounts for this settlement and the associated cost allocation in its proposed OATT amendments. The CAISO generally supports Idaho Power's approach to defining each aspect of the energy imbalance market settlement that the CAISO does not directly settle.¹²

D. Idaho Power Appropriately Requests Authority to Take Corrective Actions under Certain Limited Conditions.

The CAISO recognizes Idaho Power's desire to include sufficient safeguards to mitigate what it sees as risks in joining the energy imbalance market. Idaho Power and its customers have not previously participated in an organized market. Therefore, it is reasonable for Idaho Power to propose to include in its tariff the ability to implement temporary corrective measures in the

¹¹ See generally CAISO tariff, Section 29.17.

¹² The CAISO support recognizes that Idaho Power has appropriately addressed matters of settlement with its customers, not necessarily that there may be other ways to settle the various charges being allocated. *Supra*, ft. 5.

event that unintended or unforeseen consequences occur, which the CAISO did when it implemented the energy imbalance market.¹³ These measures include the opportunity to prevent transfers or suspend the EIM entity's participation in the energy imbalance market during a defined period following implementation in the event that Idaho Power decides to formally terminate its participation in the energy imbalance market or in the event that adverse operational consequences, including communication failures or serious design flaws, arise. The CAISO tariff recognizes that EIM entities may adopt such measures in their OATTs.¹⁴ These measures, which Idaho Power would only implement if all efforts to resolve market dysfunction fail, will protect Idaho Power and other energy imbalance market customers from unintended consequences.

The CAISO will continue to coordinate with Idaho Power throughout the implementation process. Both organizations have in place the necessary communications and procedures to ensure that they are able to identify, understand, and address any issues that arise. The CAISO anticipates that it and Idaho Power will be able to use existing tools and procedures necessary to mitigate any market disruptions and restore normal operations as quickly as possible. Moreover, the CAISO and Idaho Power will implement the available balancing capacity feature and follow the readiness requirements that were

¹³ See, e.g., CAISO tariff, Section 29.1(d) (permitting the CAISO to temporarily suspend the participation of an EIM entity in the real-time market due to market or operational issues adversely impacting the EIM area).

¹⁴ See CAISO tariff, Section 29.4(b)(5) (addressing corrective actions taken by EIM entities to address issues with EIM implementation).

established pursuant to Commission directives and are now included in the CAISO tariff and business practice manual for the energy imbalance market.¹⁵

III. Description of the CAISO and Communications

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California with its principal place of business at 250 Outcropping Way, Folsom, CA 95630. The CAISO is the balancing authority responsible for the reliable operation of the electric grid comprising the transmission systems of a number of utilities, administers the generator interconnection procedures applicable to those facilities, and is the market operator of the energy imbalance market. As explained in footnote 1 above, the CAISO respectfully moves to intervene because no other party can adequately represent the CAISO's interests in the proceeding.

Pursuant to Rule 203(b) of the Commissions' Rules of Practice and Procedure,¹⁶ the CAISO requests that all communications and notices regarding this filing and these proceedings be provided to:

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¹⁵ See CAISO tariff, Sections 29.2(b) and 29.30. See also *Cal. Indep. Sys. Operator Corp.*, 152 FERC ¶ 61,060 (2015); *Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,205 (2015); and *Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,305 (2015).

¹⁶ 18 C.F.R. § 385.203(b).

IV. Conclusion

The CAISO requests that the Commission grant the CAISO's motion to intervene and accept these comments.

Respectfully submitted,

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Dated: August 2, 2017

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned 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, CA this 2nd day of August, 2017.

Is/ Grace Clark

Grace Clark