

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

**California Independent System
Operator Corporation**

Docket No. ER19-2757-003

**NOTICE OF WITHDRAWAL OF
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
PETITION FOR LIMITED TARIFF WAIVER**

Pursuant to Rule 216 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission, the California Independent System Operator Corporation (CAISO) submits this notice of withdrawal of its January 26, 2021 petition for a temporary suspension of the effectiveness, or limited waiver, of the tariff revisions to comply with Commission Order No. 831 (Compliance Revisions).¹

The Compliance Revisions, which currently have an effective date of March 21, 2021, will allow for cost justified energy offers above \$1,000 MWh and set the CAISO's maximum energy bid at \$2,000 MWh. Under the Compliance Revisions, maximum energy bid for import bids, virtual bids and demand bids will rise from \$1,000 MWh to \$2,000 MWh without any need to justify those bids. In addition, the parameters the CAISO uses to establish market prices in certain instances under its tariff will also reflect the \$2,000 MWh maximum energy bid. In its January 26, 2021 petition, the CAISO requested authority to implement the Compliance Revisions in June 2021, at the same time it plans to implement related market enhancements that would refine the

¹ 18 C.F.R. § 385.216 (2019).

CAISO's market pricing parameters and establish rules for cost justifying import bids above \$1,000 MWh.

Over the last week, the CAISO has observed unprecedented natural gas prices and natural gas price volatility. These pricing conditions have created the risk that resources' energy production costs may exceed the CAISO's current maximum energy bid price of \$1,000 MWh. Accordingly, the CAISO respectfully submits this notice to withdraw its January 26, 2021 petition. The CAISO will proceed with implementation of the Compliance Revisions on or before March 21, 2021.²

Respectfully submitted,
By: /s/ William H. Weaver

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² Separately, the CAISO has filed a tariff amendment to accelerate the effectiveness of and modify a tariff provision (section 30.12.1(b)) that the Commission has already accepted as complying with Order No. 831 to permit after-the-fact recovery of energy costs that exceed the CAISO's existing \$1,000/MWh cap on energy bids. See CAISO filing *Request to Accelerate Implementation of Previously Accepted Tariff Provision and Requests for Waiver of Notice Period, Forgoing of Comment Period, and Expedited Commission Order*, dated February 17, 2021 pursuant to Section 205 of the Federal Power Act in Commission docket ER21-1164.

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 18th day of February, 2021.

Jacqueline Meredith

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