

182 FERC ¶ 61,123
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Acting Chairman;
James P. Danly, Allison Clements,
and Mark C. Christie.

California Independent System Operator Corporation Docket Nos. ER23-426-001
ER23-427-000
ER23-427-001

ORDER ON COMPLIANCE AND REQUEST FOR WAIVERS

(Issued February 23, 2023)

1. On November 14, 2022, as amended on January 24, 2023, California Independent System Operator Corporation (CAISO) filed in Docket No. ER23-426 a revised tariff record¹ to its Open Access Transmission Tariff (OATT) to comply with the requirements of Order No. 676-J.² CAISO also filed in Docket No. ER23-427 a request for waivers of certain standards. In Order No. 676-J, the Commission revised its regulations to incorporate by reference Version 003.3 of the Standards for Business Practices and Communication Protocols for Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. The Commission required that public utilities make two compliance filings with the earlier filing incorporating the cybersecurity and Parallel Flow Visualization (PFV) standards included in Version 003.3.³ In this order, we accept CAISO's revised tariff record for the cybersecurity and PFV standards, effective February 23, 2023, subject to an additional compliance filing submitted within 30 days of the date of this order, as described below, and grant CAISO's request for waivers.

¹ CAISO, CAISO eTariff, § 7.3.3, (NAESB Standards) (9.1.0).

² *Standards for Bus. Pracs. & Commc'n Protocols for Pub. Utils.*, Order No. 676-J, 175 FERC ¶ 61,139 (2021).

³ *Id.* PP 49-50.

I. Background

2. On May 20, 2021, the Commission issued Order No. 676-J, which amended the Commission's regulations under the Federal Power Act⁴ to incorporate by reference the WEQ Version 003.3 of the Business Practice Standards adopted by NAESB.⁵ The NAESB Business Practice Standards are intended to standardize and streamline the transactional processes of the natural gas and electric industries, as well as the communication protocols and related standards designed to improve the efficiency of communication within each industry.⁶ The WEQ Version 003.3 Business Practice Standards also include newly created standards as well as modifications to existing standards developed through the NAESB Business Practice Standards development or minor correction processes.⁷

3. With respect to the cybersecurity standards, the WEQ Version 003.3 Business Practice Standards include revisions made to the Open Access Same-Time Information Systems (OASIS) Business Practice Standards, which are related to the surety assessment on cybersecurity performed by the U.S. Department of Energy's Sandia National Laboratories.⁸ NAESB reported that the revisions strengthen the practices and cybersecurity protections established within the standards by aligning security requirements with other cybersecurity guidelines, mitigating potential vulnerabilities, and incorporating more secure communication and encryption methodologies.

4. With respect to the PFV standards, the WEQ Version 003.3 Business Practice Standards include additions, revisions, and reservations made to the WEQ-008 Transmission Load Relief (TLR) – Eastern Interconnection Business Practice Standards, which NAESB advises completes the standards development effort for the PFV enhanced

⁴ 16 U.S.C. § 791a, *et seq.*

⁵ Order No. 676-J, 175 FERC ¶ 61,139 at P 1. In Order No. 676-J, the Commission also revised its regulations to provide that transmission providers must avoid unduly discriminatory and preferential treatment in the calculation of Available Transfer Capability. *Id.* P 2.

⁶ *Id.* P 4.

⁷ *Id.* P 9.

⁸ *Id.* P 11. These revisions are in the WEQ-000, WEQ-001 and WEQ-002 Business Practice Standards. *Id.*, app. I – Standards Affected by the Revisions to Implement Recommendations Following Sandia's Surety Assessment on Cybersecurity.

congestion management process.⁹ The Commission explained that the PFV standards are designed to improve upon the congestion management procedures for the Eastern Interconnection through the use of real-time data in calculations for TLR obligations.

5. In Order No. 676-J, the Commission directed public utilities to make two compliance filings for the Version 003.3 Business Practice Standards. For the cybersecurity and PFV standards included in Version 003.3, the Commission directed public utilities to make a separate compliance filing with these revisions nine months after the publication of Order No. 676-J, with implementation required no sooner than three months after compliance filings are submitted to the Commission, for a total implementation period of at least 12 months from the issuance of Order No. 676-J.¹⁰ For the remainder of the revisions in Version 003.3, the Commission directed public utilities to make a separate compliance filing with these revisions 12 months after implementation of the WEQ Version 003.2 Standards, or no earlier than October 27, 2022, with an implementation date no earlier than three months following compliance filings submission (no earlier than January 27, 2023), resulting in a 15-month implementation period.¹¹

6. The Commission also stated that should any public utility that has previously been granted a waiver of the regulations believe that its circumstances warrant a continued waiver, the public utility may file a request for a waiver wherein the public utility can detail the circumstances that it believes warrant a waiver.¹² The Commission specified that in its request for continued waiver, the public utility must include the date, docket number of the order(s) previously granting the waiver(s), and an explanation for why the waiver(s) was initially granted by the Commission.

II. CAISO's Filings

A. Order No. 676-J Compliance Filing (Docket No. ER23-426-001)

7. CAISO proposes to incorporate certain cybersecurity standards and all of the PFV standards, incorporated by reference by the Commission in Order No. 676-J, into its OATT, and requests waiver of certain cybersecurity standards, as set forth below. In particular, CAISO proposes to incorporate the cybersecurity standards contained in WEQ-000, Version 003.3 and some provisions in the cybersecurity standards contained

⁹ *Id.* P 14.

¹⁰ *Id.* PP 49-50.

¹¹ *Id.* PP 48, 50.

¹² *Id.* P 51.

in WEQ-001, Version 003.3, which include the WEQ-001-9 preamble text, WEQ-001-10 preamble text, WEQ-001-13.1.1, WEQ-001-13.1.4, WEQ-001-13.1.5, and WEQ-001-16.¹³ CAISO also incorporates all of the PFV standards in WEQ-008, Version 003.3.¹⁴ CAISO states that in accordance with Order No. 676-J, it filed revised tariff records with an indeterminate effective date (12/31/9998).¹⁵

B. Waiver Filing (Docket Nos. ER23-427-000 and ER23-427-001)

8. CAISO requests continued waivers of the cybersecurity standards in WEQ-001 (except for the WEQ-001-9 preamble text, WEQ-001-10 preamble text, WEQ-001-13.1.1, WEQ-001-13.1.4, WEQ-001-13.1.5, and WEQ-001-16) and WEQ-002.¹⁶ CAISO states that the Commission granted these waivers in its Order No. 676-H Compliance Order¹⁷ and Order No. 676-I Compliance Order.¹⁸ CAISO states that circumstances warranting these Commission determinations have not changed.¹⁹

¹³ January 24, 2023 Amended Compliance Filing at 3. CAISO states that it has waiver of the WEQ-001 standard, with the exception of the requirements set forth in the WEQ-001-9 preamble text, WEQ-001-10 preamble text, WEQ-001-13.1.1, WEQ-001-13.1.4, WEQ-001-13.1.5, and WEQ-001-16. *Id.* at 1 n.4; proposed CAISO OATT § 7.3.3.

¹⁴ CAISO notes that WEQ-008, which addresses congestion management processes in the Eastern Interconnection, is not applicable to CAISO, because it is not located in the Eastern Interconnection. January 24, 2023 Amended Compliance Filing at 3.

¹⁵ *Id.*; Order No. 676-J, 175 FERC ¶ 61,139 at P 51.

¹⁶ January 24, 2023 Amended Waiver Filing at 1, 8.

¹⁷ *Id.* at 6-7 (citing *Calif. Indep. Sys. Operator Corp.*, 151 FERC ¶ 61,151 (2015) (Order No. 676-H Compliance Order)).

¹⁸ *Id.* at 7 (citing *Calif. Indep. Sys. Operator Corp.*, 178 FERC ¶ 61,158 (2022) (Order No. 676-I Compliance Order)).

¹⁹ *Id.* at 8.

C. Request for Leave to File Compliance Filing and Waiver Request Out-of-Time

9. CAISO requests leave to submit the compliance filing and waiver request out-of-time.²⁰ CAISO states that it inadvertently missed the March 2, 2022, compliance deadline due to an administrative oversight and the fact that CAISO currently has waivers of most of the WEQ-001 standards and all of the WEQ-002 standards, which represent standards changes that are required in this compliance filing. CAISO states that it will submit its compliance filing with the remainder of the Order No. 676-J compliance requirements in a timely manner later this year.²¹

III. Notice and Responsive Pleadings

10. Notice of CAISO's November 14, 2022 compliance filing was published in the *Federal Register*, 87 Fed. Reg. 69,266 (Nov. 18, 2022) with interventions and protests due on or before December 5, 2022. None was filed.

11. Notice of CAISO's November 14, 2022 waiver filing was published in the *Federal Register*, 87 Fed. Reg. 69,266 (Nov. 18, 2022) with interventions and protests due on or before December 5, 2022. None was filed.

12. Notice of CAISO's January 24, 2023 amended compliance filing was published in the *Federal Register*, 88 Fed. Reg. 6,251 (Jan. 31, 2023) with interventions and protests due on or before February 14, 2023. None was filed.

13. Notice of CAISO's January 24, 2023 amended waiver filing was published in the *Federal Register*, 88 Fed. Reg. 6,251 (Jan. 31, 2023) with interventions and protests due on or before February 14, 2023. None was filed.

IV. Discussion

14. As an initial matter, we grant CAISO's request to submit its compliance filing out-of-time. CAISO stated that it missed the compliance deadline due to an administrative oversight. CAISO has identified the oversight and submitted the compliance filing. We note CAISO's commitment to submit the remainder of the Order No. 676-J compliance requirements in a timely manner.²²

²⁰ January 24, 2023 Amended Compliance Filing at 1; January 24, 2023 Amended Waiver Filing at 2.

²¹ January 24, 2023 Amended Compliance Filing at 1 n.2.

²² *Id.*

15. With respect to the compliance filing, we accept CAISO's Order No. 676-J revised tariff record for the cybersecurity and PFV standards effective February 23, 2023,²³ grant the requested waivers, and direct CAISO to submit an additional compliance filing. In particular, we accept CAISO's revised tariff record because it complies with the directives of Order No. 676-J, subject to the additional compliance filing discussed below.

16. We grant CAISO's request for continued waivers of the cybersecurity standards set forth in WEQ-001 (except for the WEQ-001-9 preamble text, WEQ-001-10 preamble text, WEQ-001-13.1.1, WEQ-001-13.1.4, WEQ-001-13.1.5, and WEQ-001-16) and WEQ-002, Version 003.3. We find that CAISO has supported waiver of the foregoing standards for the reasons set forth in CAISO's filings, and because the rationale used when the Commission previously granted these waivers has not changed. Therefore, consistent with the Commission's previous determinations in the Order No. 676-H Compliance Order²⁴ and Order No. 676-I Compliance Order,²⁵ and for good cause shown, we grant the requested waivers.²⁶

17. Finally, CAISO's revised tariff record includes a placeholder for the citation of this order granting the waiver requests. Therefore, we require CAISO to submit a compliance filing within 30 days of the date of issuance of this order to revise its tariff record to include the citation to this order granting the waiver requests.²⁷

²³ In Order No. 676-J, the Commission stated that it would set an implementation date for the cybersecurity and PFV standards no sooner than 12 months after publication of Order No. 676-J in the *Federal Register*. Order No. 676-J, 175 FERC ¶ 61,139 at PP 49-50. Order No. 676-J was published in the *Federal Register* on June 2, 2021. We choose to set a common effective date of February 23, 2023, for all of the Order No. 676-J compliance filings, which is the issuance date of our orders accepting these compliance filings. Commission staff will reset the effective date for the tariff record in eTariff to February 23, 2023.

²⁴ Order No. 676-H Compliance Order, 151 FERC ¶ 61,151 at P 12.

²⁵ Order No. 676-I Compliance Order, 178 FERC ¶ 61,158 at P 14.

²⁶ The Commission will address any waiver requests that go beyond the cybersecurity and PFV standards in Version 003.3 in the Commission's future orders that will address the second Order No. 676-J compliance filings concerning the remainder of the NAESB standards revisions in Version 003.3.

²⁷ For this compliance filing, we remind CAISO to include a higher eTariff priority code for its revised tariff records effective February 23, 2023.

The Commission orders:

(A) CAISO's revised tariff record for the cybersecurity and PFV standards is hereby accepted for filing, effective February 23, 2023, subject to an additional compliance filing, as discussed in the body of this order.

(B) CAISO's request for waivers is hereby granted, as discussed in the body of this order.

(C) CAISO is hereby directed to submit a compliance filing within 30 days of the date of issuance of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.