

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

**Greenleaf Energy Unit 2, LLC            )            Docket No. ER24-785-000**

**MOTION TO INTERVENE AND ANSWER OF  
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION IN RESPONSE TO PETITION FOR LIMITED WAIVER**

The California Independent System Operator Corporation (CAISO) submits this motion to intervene and answer<sup>1</sup> to the petition for limited waiver filed by Greenleaf Energy Unit 2, LLC (Greenleaf) in the above-identified docket. The petition requests the Commission waive application of the CAISO's tariff provisions for Resource Adequacy Availability Incentive Mechanism (RAAIM) penalties. Specifically, the petition seeks to excuse a portion of tariff-required RAAIM penalties related to a long-term outage of Greenleaf's generating facility. The CAISO supports Greenleaf's requested relief because assessing the full RAAIM penalties is inequitable based on the facts and circumstances set forth in Greenleaf's petition.

**I.        Motion to Intervene**

The relief Greenleaf requests arises from application of the CAISO tariff and the terms of the Reliability Must-Run Service Agreement (RMR Agreement) between Greenleaf and the CAISO. As a party to the RMR Agreement, the CAISO has a direct interest in this proceeding. Because no other party can

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<sup>1</sup> The CAISO submits this motion to intervene and answer pursuant to Rules 212, 213, and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213, 385.214.

adequately represent the CAISO's interests in the proceeding, the CAISO's intervention is in the public interest and should be granted.

## **II. Answer**

Greenleaf asserts it faces inequitable penalty exposure under RAAIM from the long-term outage experienced by its resource. The CAISO agrees. The CAISO believes in these limited circumstances the combination of factors presents a reasonable basis for the Commission to excuse these penalties.

First, applying the full RAAIM penalties could undermine the cost-of-service principles underpinning Greenleaf's RMR Agreement. Greenleaf's RMR Agreement is a cost-of-service arrangement and, as stated in the petition, Greenleaf did not budget for the estimated \$4,205,000 (plus interest) in penalties.<sup>2</sup> As such, applying the RAAIM penalties could potentially undermine the cost of service principles under Greenleaf's RMR Agreement.

Second, Greenleaf explains in the petition that the CAISO confirmed some time after the outage commenced that the CAISO tariff requires an assessment of RAAIM penalty charges.<sup>3</sup> Had Greenleaf known it was subject to penalty charges for the entire period of the outage, Greenleaf may have taken steps to assuage its penalty exposure.

Third, delays concerning the repair approval process and supply chain challenges prolonged the generating facility's return to service. However,

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<sup>2</sup> Greenleaf at 10.

<sup>3</sup> *Id.* at 2.

Greenleaf returned its resource to operation in 2023 and following its release from RMR designation the resource now contributes resource adequacy capacity to a CAISO local capacity area. In these unique circumstances, the CAISO believes the balance of equities supports Greenleaf's request to excuse the portion of the RAIM penalties identified in the petition.

Although the CAISO supports Greenleaf's requested relief, the CAISO also believes it is appropriate to clarify the record. In its petition, Greenleaf asserts that the CAISO tariff "provides CAISO with discretion to exempt certain capacity from RAIM."<sup>4</sup> CAISO tariff section 40.9.3.4(d) provides the CAISO limited authority to exclude from RAIM certain types of outages identified in the Business Practice Manual. The CAISO does not have general authority to exempt capacity from RAIM without the Commission's authorization. Greenleaf also states the RMR Agreement provides CAISO "discretion to provide exemptions."<sup>5</sup> The RMR Agreement contains a provision that allows the CAISO to offer an alternative availability incentive mechanism if the CAISO determines RAIM is inadequate for the particular RMR resource.<sup>6</sup> However, the CAISO does not have authority to change or exempt the application of RAIM without reaching such a determination and specifying such an alternative availability incentive mechanism in the RMR Agreement.

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<sup>4</sup> Greenleaf at 20.

<sup>5</sup> *Id.*

<sup>6</sup> See RMR Agreement § 8.5.

### III. Communications

In accordance with Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, the CAISO respectfully requests that service of all pleadings, documents, and all communications regarding this proceeding be addressed to:

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### IV. Conclusion

For the foregoing reasons, the CAISO supports the relief Greenleaf seeks in this proceeding. Greenleaf has demonstrated that applying the full RAAIM penalties associated with its resource's long-term outage in these circumstances is inequitable.

**/s/ Marissa Nava**

Roger E. Collanton  
General Counsel

Andrew Ulmer  
Assistant General Counsel

Marissa Nava  
Counsel

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Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Counsel for the California Independent  
System Operator

Dated: January 18, 2024

## **CERTIFICATE OF SERVICE**

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, 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 January, 2024.

*/s/ Ariana Rebanco*

Ariana Rebanco

An employee of the California ISO