

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:  
California Independent System  
Operator Corporation  
Docket No. ER19-1641-000

July 19, 2019

Sidney L. Mannheim  
California Independent System Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Reference: Deficiency Letter

On April 23, 2019, California Independent System Operator Corporation (CAISO) filed tariff revisions to enhance its Reliability Must Run (RMR) program and further differentiate its RMR program from its backstop procurement authority under the Capacity Procurement Mechanism provisions of its tariff.

Please be advised that the filing is deficient and that additional information is necessary to process the filing. Please provide the information requested below.

CAISO proposes to revise section 41.1 of the CAISO tariff and section 4.1 of the *pro forma* RMR contract in Appendix G to the CAISO tariff to replace language that limits dispatch of RMR resources to meeting local reliability needs or managing congestion on non-competitive paths with language giving CAISO the right to issue any dispatch notice for any product and service. CAISO states that maintaining reliability on a rapidly transforming system might involve meeting flexible and system capacity needs besides the local capacity needs traditionally met by RMR resources. CAISO explains that examples of flexible and system capacity needs include insufficient system operating reserves to meet established reliability criteria, insufficient ramping capability to meet operational criteria, and insufficient system inertia to meet planning and/or operational criteria.<sup>1</sup> Please explain:

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<sup>1</sup> CAISO Transmittal at 97-99.

- a. the criteria or types of criteria CAISO plans to use to determine whether a specific resource should be retained to meet system or flexible reliability needs under an RMR contract and that no other resource can meet these needs; and
- b. whether and, if so, how CAISO will evaluate longer term solutions that will reduce the need for the RMR contract for system or flexible reliability needs.

This letter is issued pursuant to delegated authority, 18 C.F.R. § 375.307 (a)(1)(v) (2018) and is interlocutory. This letter is not subject to rehearing pursuant to 18 C.F.R. § 385.713. CAISO must respond to this letter within 30 days of the date of this letter by making an amendment filing in accordance with the Commission's electronic tariff requirements.<sup>2</sup> An additional electronic copy of the response should be emailed to Lauren Campbell at [lauren.campbell@ferc.gov](mailto:lauren.campbell@ferc.gov).

The filing requested in this letter will constitute an amendment to the filing, and a new filing date will be established, pursuant to *Duke Power Company*, 57 FERC ¶ 61,215 (1991), upon receipt of Company's electronic tariff filing. A notice of amendment will be issued upon receipt of the response.

Failure to respond to this deficiency letter within the time period specified, and in the manner directed above, may result in an order rejecting the filing. Until receipt of the amendment filing, a new filing date will not be assigned to this case.

Issued by: Carlos D. Clay, Acting Director, Division of Electric Power Regulation – West

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<sup>2</sup> *Electronic Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (an amendment filing must include at least one tariff record even though a tariff revision might not otherwise be needed). The response must be filed using Type of Filing Code 180 – Deficiency Filing. If there are no changes to tariff records, CAISO can attach a single tariff record with no changes.