

155 FERC ¶ 61,283
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

June 17, 2016

In Reply Refer To:
California Independent System
Operator Corporation
Docket No. ER15-861-005

California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Attn: John C. Anders

Reference: Readiness Certification for NV Energy's Participation in the Energy
Imbalance Market

Dear Mr. Anders:

1. On October 1, 2015 (October 1 Filing), the California Independent System Operator Corporation (CAISO) filed a certification of CAISO's and Nevada Power Company and Sierra Pacific Power Company's (collectively, NV Energy) readiness to proceed with NV Energy's participation in CAISO's Energy Imbalance Market (EIM) on November 1, 2015. CAISO states that, following market simulation and an adequate period of parallel operations, CAISO and NV Energy have met all readiness criteria and certification requirements specified in section 29.2(b)(7) of CAISO's tariff.¹
2. CAISO states that the October 1 Filing is consistent with the currently effective readiness and certification requirements embodied in its tariff.² CAISO

¹ October 1 Filing at 1. In support, CAISO provides affidavits from CAISO and NV Energy officers attesting that NV Energy has met these criteria and requirements. *Id.* at Attachments B and C.

² *Id.* at 1.

further explains that revisions to its readiness criteria were filed on August 28, 2015, in Docket No. ER15-861-004 (Readiness Compliance Filing),³ and that CAISO and NV Energy applied the readiness criteria reflected in the Readiness Compliance Filing to NV Energy's market preparation activities and satisfied such criteria.⁴

3. Notice of CAISO's filing in Docket No. ER15-861-005 was published in the *Federal Register*, 80 *Fed. Reg.* 61,405 (2015), with interventions and protests due on or before October 22, 2015. Timely comments in support of the October 1 Filing were filed by NV Energy on October 13, 2015. Powerex Corp. (Powerex) submitted timely comments and Truckee Donner Public Utility District (Truckee Donner) submitted a timely protest on October 22, 2015. On October 26, 2015, CAISO filed an answer to protests and comments.

4. In its comments, Powerex asserts that the October 1 Filing is premature because the Commission has not yet reviewed or approved the criteria CAISO and NV Energy used to evaluate readiness.⁵ Powerex also argues that, even if the Commission was to approve CAISO's proposed readiness criteria without modification, data arising from the parallel operations period raises doubts regarding NV Energy's actual preparedness under those criteria.⁶ Furthermore, Powerex states that NV Energy and CAISO should be required to engage in a robust and error-free parallel operations period.⁷

5. Truckee Donner also asserts that the readiness certification is premature. Truckee Donner argues that the October 1 Filing improperly assumes that the Commission will accept the proposed readiness criteria in the Readiness Compliance Filing,⁸ and that the simulation and testing period was too short to enable a confident,

³ *Cal. Indep. Sys. Operator Corp.*, Compliance Filing, Docket No. ER15-861-003 (filed Aug. 28, 2015) (proposing revisions to readiness requirements and criteria in compliance with the Commission's July 21, 2015 order, *Cal. Indep. Sys. Operator Corp.*, 152 FERC ¶ 61,063 (2015)). The Commission accepted CAISO's Readiness Compliance Filing on November 19, 2015. *Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,205 (2015) (November 19 Order).

⁴ October 1 Filing at 1-2.

⁵ Powerex Comments at 3-4.

⁶ *Id.* at 4.

⁷ *Id.* at 6.

⁸ Truckee Donner Protest at 7-8.

reasoned readiness determination.⁹ Truckee Donner also raises concerns regarding the results of the parallel operations period.¹⁰ According to Truckee Donner, CAISO and NV Energy cannot meaningfully certify readiness while key rules are being finalized, and NV Energy should not begin EIM participation until those rules are set.¹¹

6. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest and/or answer unless otherwise ordered by the decisional authority. We are not persuaded to accept CAISO's answer and will, therefore, reject it.

7. We accept the October 1 Filing for informational purposes only. We reject Powerex's and Truckee Donner's comments and protests as moot because their concerns have been overcome by subsequent events. NV Energy commenced financially-binding EIM operations on December 1, 2015. Furthermore, on November 19, 2015 the Commission accepted CAISO's Readiness Compliance Filing as filed, effective March 16, 2015.¹² Accordingly, Powerex's and Truckee Donner's concerns regarding the prematurity of the October 1 Filing and the results of CAISO and NV Energy parallel operations are no longer relevant.

8. We also note that, as the Commission explained in the November 19, 2015 order, readiness certification filings submitted in the future will be informational filings only and not noticed for comment or subject to Commission action.¹³

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁹ *Id.* at 8-10.

¹⁰ *Id.* at 10-12.

¹¹ *Id.* at 12.

¹² November 19 Order, 153 FERC ¶ 61,205. No party sought rehearing of the November 19 Order.

¹³ *Id.* P 86 & n.174.