

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

San Diego Gas & Electric Company)

Docket No. ER15-1022-000

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION'S
INTERVENTION AND COMMENTS ON WAIVER REQUEST**

The California Independent System Operator Corporation (CAISO) files this motion to intervene and comments in response to the request submitted on February 10, 2015, by San Diego Gas & Electric Company (SDG&E) to waive meter data submission penalties called for under the CAISO tariff that otherwise would apply to SDG&E in its role as Scheduling Coordinator for the Otay Landfill Gas V, LLC and Otay Landfill Gas VI, LLC generating units (Otay). SDG&E asserts that the late meter data submissions for which it would be penalized resulted from a good-faith misunderstanding and that its circumstances meet the Commission's rules for granting tariff waiver requests.

While mindful of the important policies underlying the CAISO tariff's strict liability meter data submission rules and the critical role of timely and accurate meter data submission in the CAISO's overall settlements process, the CAISO supports SDG&E's request insofar as there is a reasonable basis for the Commission to grant SDG&E's *sui generis* tariff waiver request under the unique circumstances here.

I. MOTION TO INTERVENE

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California. The CAISO's Commission-approved tariff includes provisions regarding the timelines for Scheduling Coordinators to submit meter data used to

financially settle its markets. The CAISO tariff additionally contains penalty provisions for Scheduling Coordinators that do not meet these timelines. Because the CAISO has an interest in this proceeding that cannot be represented adequately by any other party, the CAISO requests that the Commission permit it to intervene in this proceeding.

II. BACKGROUND ON METER DATA SUBMISSION IN THE CAISO MARKETS

For metering purposes, a participant in the CAISO energy markets is a CAISO Metered Entity or a Scheduling Coordinator Metered Entity.

Generators typically are CAISO Metered Entities. The CAISO financially settles with the Scheduling Coordinators representing CAISO Metered Entities based on data from CAISO-certified meters that the CAISO polls directly. The CAISO tariff forbids the CAISO from settling a CAISO Metered Entity based on data from a meter not yet certified by the CAISO.¹ However, once a CAISO Metered Entity has a certified meter it need not take any steps to submit its meter data to the CAISO on a day-to-day basis. CAISO Metered Entities may also have other meters on-site that are used for purposes other than CAISO settlement. The CAISO has no control or oversight over these additional meters.

Generators, particularly qualifying facilities, can also be Scheduling Coordinator Metered Entities, in which case the CAISO settles based on meter data from utility-owned meters submitted to the CAISO by the Scheduling Coordinator.² Those meters must meet the Local Regulatory Authority's requirements but face no CAISO

¹ CAISO tariff section 10.2.4.6 (“the CAISO will not accept Revenue Quality Meter Data from a CAISO Metered Entity unless that Revenue Quality Meter Data is produced by Metering Facilities that are certified in accordance with this CAISO Tariff and the CAISO Metered Entity has a current Certificate of Compliance.”).

² Load-serving entities are more typically SCMEs in the CAISO markets.

certification requirements. The CAISO tariff has defined data submission deadlines for Scheduling Coordinator Metered Entities and penalties for missing the deadlines.

Scheduling Coordinator Metered Entities must submit their final meter data values by 48 business days after the trading day to which the meter data applies.³ If a Scheduling Coordinator Metered Entity either submits new meter data or corrects existing meter data after the 48-day deadline, then the CAISO imposes a \$1,000 penalty for each affected trading day.⁴

III. COMMENTS

As explained in the declaration of Mr. Benik Der-Gevorgian, Director, Market Services, the CAISO systems are configured to permit a resource that has not reached full commercial operations status to schedule its output into the CAISO markets.⁵ This is done to facilitate payment to resources for providing exceptional dispatch pre-commercial operations test energy.⁶ SDG&E states in its filing that it was under the impression during the August 2013 timeframe that Otay had CAISO-certified meters in place. That belief, combined with SDG&E's ability to use the CAISO's scheduling interface, apparently gave SDG&E the mistaken impression that Otay would be settled as a CAISO Metered Entity for its exceptional dispatch pre-commercial operations test energy. Had the CAISO used different business processes during this timeframe, what SDG&E claims as its good-faith mistake might have been avoided. As explained in the Der-Gevorgian declaration, the CAISO has since implemented business processes to

³ CAISO tariff section 10.3.6.3.

⁴ CAISO tariff sections 37.5.2 and 37.11.

⁵ Der-Gevorgian Declaration, at 7.

⁶ *Id.*

reduce the likelihood that this situation will recur by, among other things, making clear to resources that the CAISO granting approval to synchronize to the grid for test purposes does not necessarily mean that the resource has been approved for commercial operations.⁷ In these unique circumstances, the CAISO believes the Commission reasonably could find that the Commission's threshold for granting tariff waiver requests has been met.

In response to prior meter data penalty waiver requests, the CAISO has expressed concern with the Commission about how a particular waiver request, if granted, would affect the strict liability nature of the meter data penalties going forward and whether a waiver would create a precedent that created a *de facto* exemption for a class of market participants.⁸ Here, because the underlying circumstances are unique in that the situation has not arisen before and is unlikely to recur given additional clarity the CAISO now offers in its new resource implementation process, the CAISO is not worried that the Commission's granting of this waiver would lead to a rush of further waiver filings from similarly situated entities. A *sui generis* case poses minimal risk of establishing a bad precedent for the CAISO's settlements timeline and the accompanying meter data penalties.

IV. CONCLUSION

The meter data submission timeline and the associated penalties for untimely submissions or revisions of meter data are vitally important to the CAISO and the integrity of its settlements process. The CAISO supports SDG&E's limited one-time

⁷ *Id.* at 8.

⁸ 3 *Phases Energy Servs., LLC*, 149 FERC ¶ 61,151 (2014); *Shell Energy N. Am. (US), L.P. v. Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,083 (2012).

waiver request based on the facts and circumstances present at the start of Otay's commercial operations. Based on the unique confluence of events, no single party recognized the full circumstances regarding Otay's metering. Accordingly, the CAISO supports SDG&E's waiver application.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the above-referenced 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 3rd day of March 2015.

Is/ Anna Pascuzzo
Anna Pascuzzo