

181 FERC ¶ 61,102
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

California Independent System Operator Corporation Docket No. ER21-955-003

ORDER GRANTING WAIVER

(Issued November 3, 2022)

1. On August 30, 2022, pursuant to Rule 207 of the Commission's Rules of Practice and Procedure,¹ the California Independent System Operator Corporation (CAISO) filed a petition for a limited waiver of its Open Access Transmission Tariff (Tariff) to postpone the effective date of the Energy Imbalance Market (EIM) Tariff provisions pertaining to the submission deadline for EIM base schedules (EIM base schedule deadline revisions),² which were accepted in the Commission's April 30, 2021 order in this proceeding.³ Specifically, CAISO seeks to delay the effective date of the EIM base schedule deadline revisions until October 1, 2023, subject to CAISO submitting a subsequent filing within five business days after the actual implementation date of the EIM base schedule deadline revisions. In this order, we grant CAISO's waiver request.

¹ 18 C.F.R. § 385.207 (2021).

² CAISO August 30, 2022 Transmittal at 1 (Transmittal).

³ *Cal. Indep. Sys. Operator Corp.*, 175 FERC ¶ 61,096 (2021) (April 2021 Order). The April 2021 Order addressed two sets of Tariff revisions. The first set of revisions went into effect on May 1, 2021, and is unrelated to this waiver request. The second set of revisions proposed to: (1) allow EIM participants the option to not have CAISO settle unaccounted for energy within an EIM participant's balancing authority area (UFE Settlement Revisions); and (2) move the final hourly base schedule submission deadline from 40 minutes to 30 minutes before the start of each hour and run an additional resource sufficiency test 30 minutes before the hour. The UFE Settlement Revisions are unrelated to this waiver request.

I. Background

2. In the April 2021 Order, the Commission accepted CAISO's EIM base schedule deadline revisions, effective October 1, 2021, subject to CAISO submitting a subsequent filing five business days after the actual implementation date to specify the effective date associated with those Tariff records.

3. On September 30, 2021, CAISO filed a request for waiver to delay the effective date of the EIM base schedule deadline revisions until October 1, 2022, subject to CAISO submitting a subsequent filing within five business days after the actual implementation date of the EIM base schedule deadline revisions. CAISO explained that the waiver was necessary to address software implementation concerns. The Commission granted CAISO's request for waiver in an order issued on October 29, 2021.⁴

II. Waiver Request

4. CAISO states that it is unable to implement the EIM base schedule deadline revisions by October 1, 2022. As a result, CAISO seeks to delay the effective date of the EIM base schedule deadline revisions until October 1, 2023, subject to CAISO submitting a subsequent filing within five business days after the actual implementation date of the EIM base schedule deadline revisions.⁵

5. CAISO explains that its testing and market simulation of the EIM base schedule deadline revisions demonstrate that the revisions cannot be implemented by fall 2022. According to CAISO, the real-time market pre-dispatch process (RTPD) does not have sufficient time to run if the EIM base schedule deadline revisions (i.e., the 10-minute reduction in time available for the market to run following the submission of base schedules) are implemented. CAISO explains that the RTPD run for intervals 4 and 5 must be completed in five and a half minutes or less to accommodate the EIM base schedule deadline revisions. However, test results indicate that this timeframe cannot be accommodated without the risk of the RTPD not completing in time, unless and until CAISO can shave off approximately one minute of run time.⁶

6. CAISO states that it has suspended the testing and market simulation of the EIM base schedule deadline revisions in order to complete the work necessary to implement a key market enhancement, the flexible ramping product refinements, filed in Docket No. ER22-2661-000, with a targeted effective date of November 1, 2022. CAISO

⁴ *Cal. Indep. Sys. Operator Corp.*, 177 FERC ¶ 61,072 (2021).

⁵ Transmittal at 5-6.

⁶ *Id.* at 3.

explains that suspending the testing and market simulation of the EIM base schedule deadline revisions allows CAISO's staff that are responsible for testing and market simulation to give their full attention to completing the work required to ensure that the flexible ramping product refinements can go into effect on November 1, 2022.⁷ CAISO adds that it would be prudent to revisit testing of the EIM base schedule deadline revisions after the flexible ramping product refinements are in production. According to CAISO, deferring further work on the EIM base schedule deadline revisions will allow CAISO to more fully understand the performance of the software going forward and, more importantly, avoid introducing additional performance risk concurrent with this market enhancement.⁸

7. CAISO states that it anticipates resuming testing and market simulation of the EIM base schedule deadline revisions after November 1, 2022. CAISO adds that it believes that the EIM base schedule deadline revisions can be implemented no earlier than October 1, 2023, the date CAISO targets for its fall 2023 software release. However, CAISO indicates that it will remain unclear until further testing has been conducted whether the software performance issues associated with the EIM base schedule deadline revisions can be resolved. CAISO acknowledges that it is possible that the software performance issues will prove intractable, in which case CAISO would evaluate the circumstances and follow up with the Commission as appropriate.⁹

8. CAISO contends that its waiver request satisfies the Commission's requirements for granting waiver. First, CAISO states that it has acted in good faith because it timely notified the Commission after it determined that implementing the EIM base schedule deadline revisions effective October 1, 2022, is not feasible. Second, CAISO states that the waiver is of limited scope because it is applicable for only 12 months. Third, CAISO explains that the waiver will remedy the concrete problem that CAISO cannot implement the EIM base schedule deadline revisions by October 1, 2022. Finally, CAISO also indicates that the waiver will not have undesirable consequences because CAISO will continue to operate under the *status quo* for the limited waiver period and will continue to keep stakeholders informed through its release planning processes.¹⁰

⁷ On October 18, 2022, the Commission accepted the flexible ramping product refinements, effective November 1, 2022. *Cal. Indep. Sys. Operator Corp.*, 181 FERC ¶ 61,034 (2022).

⁸ Transmittal at 4-5.

⁹ *Id.* at 5.

¹⁰ *Id.* at 6-7.

III. Notice and Responsive Pleadings

9. Notice of CAISO's filing was published in the *Federal Register*, 87 Fed. Reg. 54,487 (Sept. 6, 2022), with interventions and protests due on or before September 20, 2022. None was filed.

IV. Discussion

10. We grant CAISO's request for waiver. Specifically, we grant CAISO's request to delay the effective date of the EIM base schedule deadline revisions until October 1, 2023, subject to CAISO subsequently notifying the Commission of the actual effective date within five business days after the actual implementation date of the EIM base schedule deadline revisions. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.¹¹ We find that the circumstances of CAISO's unopposed waiver request satisfy these criteria.

11. First, we find that CAISO has acted in good faith because it promptly filed its waiver request with the Commission when it determined it would not be able to meet the targeted October 1, 2022 implementation date. Second, we find that CAISO's request is limited in scope because it applies to a discrete set of Tariff provisions and is applicable for a 12-month period. Third, we find that this waiver addresses the concrete problem that CAISO cannot feasibly implement the EIM base schedule deadline revisions by October 1, 2022, due to the software issues described above. Fourth, we find that CAISO's request for waiver will not have undesirable consequences, such as harming third parties, and instead will prevent undesirable consequences by ensuring that CAISO has sufficient time to fully test the software associated with these changes prior to implementation. CAISO states that it will maintain the *status quo* during this limited period.

¹¹ See, e.g., *Citizens Sunrise Transmission LLC*, 171 FERC ¶ 61,106, at P 10 (2020); *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016).

The Commission orders:

(A) CAISO's waiver request is hereby granted, as discussed in the body of this order.

(B) CAISO is hereby directed to notify the Commission of the actual effective date of the EIM base schedule deadline revisions within five business days after the actual implementation date, in an eTariff submittal using Type of Filing Code 150 – Report.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.