

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

**California Independent System) Docket No. ER14-2017-____
Operator Corporation)**

**INFORMATIONAL FILING OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO)¹ submits this filing to inform the Commission of its intent to implement the modeling enhancements in the CAISO's markets filed in the captioned proceeding as accepted by the Commission on July 31, 2014.² The CAISO is proceeding with the drop of bidding and scheduling software enhancements in support of this effort today and working towards activating the expanded full network model and enhanced day-ahead modeling for the Day-Ahead Market on October 14, for trading day October 15, 2014.

I. Background

On May 22, 2014, the CAISO filed revisions to its tariff to implement modeling enhancements that included the authority to model unscheduled flow in the CAISO's day-ahead market, the enforcement of power flow constraints in the day-ahead market, and the expansion of the full network model topology to include information on resources, load, and interchange schedules in other

¹ The CAISO submits this petition for waiver pursuant to Rule 207 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.207. Capitalized terms not otherwise defined herein have the meanings set forth in the CAISO tariff.

² *California Independent System Operator Corp.*, 148 FERC ¶ 61,089 (2014) (July 31 order).

balancing authority areas (May 22 tariff filing). The CAISO requested a September 8, 2014, effective date for its proposed tariff revisions to reflect improvements in the CAISO's base market model and use of transaction identifiers, and requested an October 1, 2014, effective date for the balance of the tariff revisions.

In the July 31 order, the Commission accepted the May 22 tariff filing subject to a compliance filing due within 30 days after the order was issued and the filing of an informational report on pre-implementation activities prior to the planned October 1 implementation.³ The CAISO timely submitted the compliance filing and informational report.

During the past two months, the CAISO has been managing the deployment of a number of important enhancements scheduled for fall release. Two of these initiatives involve important and significant enhancements to the CAISO markets that require careful deployment of these efforts over time: expanded modeling enhancements in the day-ahead market and the implementation of an Energy Imbalance Market in which PacifiCorp will participate. These two enhancements were scheduled to become effective on October 1, 2014. On September 16, 2014, the CAISO filed a motion to delay the effectiveness of the tariff revisions to implement the Energy Imbalance Market until November 1, 2014.⁴ That extension will allow the CAISO and PacifiCorp to transition from the market simulation to a real-time representation of Energy

³ See July 31 order at Ordering Paragraphs (A)-(B).

⁴ The CAISO filed the motion in Docket Nos. ER14-1386-003, *et al.* Commission action on the September 16 motion is pending.

Imbalance Market operations in a non-binding production environment operating in parallel with current market operations, in order to allow continued analysis and training until full activation on November 1, 2014. This will provide additional time to gain experience in new operating procedures and greater confidence in market results prior to issuing binding market results on November 1, 2014.

At the time it filed the Energy Imbalance Market motion on September 16, the CAISO did not anticipate a delay in the deployment of the enhanced modeling provisions. Indeed, after the motion was filed, the CAISO initially decided to modify its deployment plans to commence operating with the expanded full network model and modeling enhancements accepted in this proceeding in parallel with the Energy Imbalance Market functionality in a non-binding production environment starting on October 1.

However, on September 25, 2014, the CAISO determined that this timeline would require it and market participants to forgo the important opportunity to observe the performance of the modeling enhancements accepted in this proceeding in a market simulation environment without the deployment of the Energy Imbalance Market. That opportunity is important because it will allow the CAISO and market participants to observe any software issues introduced by the modeling enhancements separate from the addition of the Energy Imbalance Market. While the expanded full network model and modeling enhancements have been part of the market simulation since July 28, the CAISO and market participants have not yet had the opportunity to observe the system operation and market impacts of these enhancements in a simulation environment without

the full deployment of the Energy Imbalance Market. The decoupling of the two releases raises the need to observe the performance of the modeling enhancements and related software in the absence of the Energy Imbalance Market related software. The CAISO is taking this precautionary measure to satisfy standard deployment readiness practices.

On September 26, 2014, the CAISO requested a temporary suspension of the effectiveness, or limited waiver, of certain tariff revisions to implement modeling enhancements in the CAISO's markets. The requested waiver permits the tariff revisions in the above captioned proceeding to become effective as of October 1, 2014, and to be actually implemented on a date between October 15 and November 1, 2014. The CAISO committed to submit an informational filing in this proceeding seven days in advance of the implementation of the modeling enhancement tariff revisions. Commission action on this petition is pending.

II. Informational Filing

As anticipated, the CAISO is proceeding with the roll out of necessary software and procedures in support of the full implementation of the modeling enhancements on functionality for trading day October 15. The CAISO is proceeding with its scheduled milestones towards the deployment the modeling on enhancements approved in the captioned proceeding.⁵ These dates might vary slightly, but at this time the ISO anticipates to be operating with these enhancements as of the trading day October 15. If there is a delay in the implementation of the modeling enhancements approved in this proceeding

⁵ <http://www.caiso.com/Documents/Fall2014ExternalDeploymentPlan.pdf>

beyond trading day October 15, the CAISO will submit an additional informational filing as soon as possible.

Respectfully submitted,

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Dated: October 8, 2014

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above-referenced proceeding, 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 8th of October, 2014.

Is/ Anna Pascuzzo

Anna Pascuzzo