



September 15, 2023

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER22-906-____
Quarterly Informational Report Regarding Transmission
Service and Market Scheduling Priorities Stakeholder Process**

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO) hereby submits its quarterly report regarding the CAISO's Transmission Service and Market Scheduling Priorities stakeholder initiative as directed by the Commission's March 15, 2022 Order in the above-referenced docket.

Please contact the undersigned with any questions.

Respectfully submitted,

By: /s/ Anthony Ivancovich

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California ISO

**Quarterly Informational Report (Docket No. ER22-906)
Status of Transmission Service and Market Scheduling
Priorities Stakeholder Process**

September 15, 2023

On March 15, 2022, the Federal Energy Regulatory Commission (Commission) issued an order¹ extending until June 1, 2024 the California Independent System Operator Corporation's (CAISO) tariff provisions regarding the scheduling priorities for wheeling through transactions. The Commission initially approved such tariff provisions on an interim basis -- until June 1, 2022 -- in an order issued on June 25, 2021 in Docket No. ER21-1790.² In its March 15, 2022 Order, the Commission also directed the CAISO to file quarterly informational reports to update the Commission on the CAISO's efforts toward developing long-term rules delineating rights for wheeling through transactions across the CAISO grid. The Commission stated that the CAISO must file the reports beginning three months after the March 15 Order and every three months thereafter until the CAISO files a long-term solution with the Commission. The Commission also stated that such reports should describe any long-term alternative solutions being considered in the stakeholder process, explain any potential impediments to implementing any particular solution, and provide an updated schedule for finalizing a proposal. This is the CAISO's sixth report to the Commission.

Transmission Service and Market Scheduling Priorities Stakeholder Process

On July 28, 2023 the CAISO filed tariff revisions arising from Phase 2, Track 1 of its Transmission Service and Market Scheduling Priorities stakeholder process (July 28 Filing). The tariff revisions would (1) implement a durable framework for external load serving entities and suppliers serving them to obtain in advance, on a monthly and daily basis, Wheeling Through self-schedule priorities equal to the scheduling priority of CAISO demand, and (2) update the CAISO's calculation of Available Transfer Capability (ATC). The proposed tariff revisions would replace the interim Wheeling Through tariff provisions that expire June 1, 2024. The CAISO has requested the Commission issue an order by October 20, 2023 approving the filed tariff revisions.

Track 2 of Phase 2 of the Transmission Service and Market Scheduling Priorities stakeholder process is ongoing. In Track 2 of Phase 2, the CAISO is developing a new process separate and distinct from the processes submitted in the July 28 Filing whereby entities seeking to establish wheeling through scheduling priority in annual increments, for one year or longer, commencing beyond the 13-month rolling horizon in which the CAISO proposes to calculate ATC pursuant to the July 28 Filing can submit a request for a study. The CAISO will study such requests in a cluster with other like requests and generator interconnection requests, leveraging the deliverability processes under the Generator Interconnection and Deliverability Allocation Procedures (GIDAP).³ If a transmission upgrade is needed to accommodate service, the entity submitting the request would be able to fund the transmission upgrade and receive a wheeling through scheduling priority equal to load on a long-term basis. The CAISO currently does not

¹ *California Independent System Operator Corporation*, 178 FERC ¶61,182 (2022) (March 15 Order).

² *California Independent System Operator Corporation*, 175 FERC ¶61,245 (2021). This order approved a tariff amendment filed by the CAISO on April 28, 2021 (April 28 Tariff Amendment).

³ CAISO Business Practice Manual, *Generator Interconnection and Deliverability Allocation Procedures*, 2022.

have any such framework for seeking a long-term Wheeling Through priority or funding upgrades for long-term wheeling through priority.

The CAISO posted draft tariff language for Track 2 on July 14, 2023, and held a meeting with stakeholders to discuss the draft tariff language on August 28, 2023. The CAISO also provided an opportunity for stakeholders to submit written comments on the draft tariff language. The CAISO is in the process of revising the draft tariff language in response to stakeholder input. The CAISO is aiming to post revised draft tariff language in early October and hold a meeting with stakeholders thereafter. The CAISO will also provide stakeholders an opportunity to submit written comments on the revised draft tariff language. As stated in its July 28 Filing, the CAISO is seeking to file the long-term Wheeling Through Priority framework by January 9, 2024.

The CAISO is working diligently to develop the systems and processes that will be necessary to implement tariff revisions in the July 28 Filing. However, as the CAISO acknowledged in its July 28 Filing, there are implementation challenges. The CAISO is working with an outside vendor to the extent it can to address some of these challenges, but the project also affects many internal CAISO processes and systems. In addition to this high priority project, the CAISO is pursuing other high priority projects, including Day-Ahead Market Enhancements (DAME) and the Extended Day-Ahead Market (EDAM). The potential exists for resource constraints, systems sequencing issues, and unexpected issues/challenges under these circumstances. The CAISO is developing implementation requirements based on the filed design and will re-evaluate based on the final Commission order. To the extent the Commission believes it would be useful, the CAISO is willing to file quarterly updates regarding the status of implementation and any challenges it is facing.

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in 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 15th day of September, 2023.

/s/ Jacqueline Meredith
Jacqueline Meredith