

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

**California Independent System)
Operator Corporation)** **Docket No. ER04-835-010**

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO COMMENTS**

The California Independent System Operator Corporation (CAISO)¹ submits this answer to the comments filed by Shell Energy North America (US), L.P. (Shell Energy) in this proceeding on July 13, 2020, regarding the response the CAISO submitted on June 22, 2020 to a deficiency letter issued by Commission (Deficiency Letter Response).²

I. Answer

Shell Energy does not contend the Deficiency Letter Response fails to provide the information the Commission sought in the deficiency letter. Instead, Shell Energy requests that the Commission “require CAISO to provide each SC [scheduling coordinator] with its proposed invoice [for interest on reallocated start-up and minimum load costs] that was submitted to the Commission” in the Deficiency Letter Response.³ This request exceeds the directives in the deficiency letter.

¹ Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the CAISO tariff.

² The Commission issued the deficiency letter on May 21, 2020. The CAISO submits this answer pursuant to Rule 213(a)(3) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(3).

³ Shell Energy at 3.

In the deficiency letter, the Commission gave the CAISO the choice of providing either (a) “the invoices [the CAISO] intend[s] to circulate among market participants,” or (b) “a table summarizing how interest costs will be allocated and invoiced among market participants.” The CAISO explained in the Deficiency Letter Response that it chose the latter option and provided a summary of how interest costs were calculated along with a table showing the amounts to be invoiced. Accordingly, the CAISO’s response is consistent with the deficiency letter, and the CAISO did not submit any invoices to the Commission.⁴

The CAISO also explained that, in accordance with the Commission’s April 3, 2020 order in this proceeding, the CAISO (1) suspended its processing of settlement statements and invoices and (2) cancelled any invoices it had already issued to market participants for interest (subject to reissuance if so required pursuant to future Commission directives), and returned any interest pre-payments to market participants.⁵ After the Commission allows the invoicing process to resume, the CAISO will reissue the invoices to all market participants.⁶

In addition, Shell Energy states the Commission should limit its review in this proceeding to the interest on start-up and minimum load cost adjustments

⁴ Deficiency Letter Response at 4 & n.8.

⁵ *Id.* at 2 (citing *Cal. Indep. Sys. Operator Corp.*, 171 FERC ¶ 61,011, at P 15 and Ordering Paragraph (A) (2020)).

⁶ As Shell Energy notes, scheduling coordinators did not receive proposed invoices reflecting interest on reallocated start-up costs prior to the CAISO’s suspension of the invoicing process. Shell Energy at 2. The CAISO will issue invoices reflecting all of the interest amounts, including interest on reallocated start-up costs, after the Commission authorizes the CAISO to resume invoicing.

associated with Amendment No. 60 surcharges, but not the Reliability Capacity Services Tariff (RCST) refunds described in a portion of a settlements bulletin attached to the Deficiency Letter Response.⁷ In the Deficiency Letter Response, the CAISO stated that interest calculations associated with RCST revenues “are unrelated to the interest calculations for the reallocated minimum load costs and start-up costs.”⁸ The CAISO has only filed Amendment No 60-related calculations in response to the deficiency letter.

II. Conclusion

For the foregoing reasons, the Commission should accept the Deficiency Letter Response consistent with the discussion in this answer.

Respectfully submitted,

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Dated: July 24, 2020

⁷ *Id.* at 3.

⁸ Deficiency Letter Response at 3 n.6.

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, pursuant to the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, DC this 24th day of July, 2020.

/s/ Daniel Klein

Daniel Klein

Davis Wright Tremaine LLP