

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

**California Independent System            )       Docket No. ER15-1919-002**  
**Operator Corporation                        )**

**PETITION FOR LIMITED TARIFF WAIVER OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
TO MODIFY EFFECTIVE DATE**

The California Independent System Operator Corporation (“CAISO”) respectfully requests a temporary suspension of the effectiveness, or limited waiver, of the tariff revisions accepted in the order issued in this proceeding on October 26, 2015.<sup>1</sup> In that order, the Commission conditionally accepted the CAISO’s proposed tariff modifications to implement the Energy Imbalance Market (“EIM”) year one enhancements initiative to become effective October 27, 2015. The CAISO will implement these tariff modifications as part of the CAISO’s 2015 fall software release (“2015 fall release”). The CAISO has determined that it is not feasible to implement the 2015 fall release today. Therefore, the CAISO requests that the Commission suspend the effectiveness of the EIM year one enhancement tariff revisions until no later than November 4, 2015.

Good cause exists for the Commission to find that this petition satisfies its waiver criteria. The waiver is of limited scope in that it will apply, at most, for eight days. The waiver will also remedy the concrete problem that the tariff revisions cannot go into effect until the 2015 fall release is implemented, which

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<sup>1</sup> *Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,087 (2015) (“October 26 Order”). The CAISO submits this petition for limited waiver pursuant to Rule 207 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.207.

the CAISO cannot accomplish until, at the earliest, October 31, 2015. Further, the waiver will not have undesirable consequences, because it will maintain the status quo. For these reasons, the Commission should grant the petition.

## **I. Background**

On June 15, 2015, the CAISO filed proposed tariff modifications to provisions governing the operation of the CAISO's Energy Imbalance Market to implement phase one of its year one enhancements initiative, which would: (1) allow the use of available transfer capability for EIM transfers, (2) provide a cost-based approach for greenhouse gas bidding by EIM participating resources and a means for such resources to avoid dispatch for purposes of serving CAISO load, (3) align the EIM administrative charge with the grid management charge, and (4) include additional elements for the evaluation of resource sufficiency.<sup>2</sup> On July 30, 2015, the Commission issued a deficiency letter requesting more information regarding the CAISO's proposed use of an EIM transfer cost parameter to optimize the scheduling of EIM transfers and proposed compliance with the Commission's directive that it provide a mechanism for EIM market participants to opt out of energy sales into California.<sup>3</sup> On August 21, 2015, the CAISO filed its response to the July 30 letter along with modifications to its proposed tariff language.

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<sup>2</sup> On June 25, 2015, the CAISO submitted an errata to add a section of the transmittal letter (section III.E of the transmittal as corrected) that had been inadvertently omitted during editing, which described one of the tariff changes. On July 1, 2015, the CAISO submitted an amendment to the original filing to revise the requested effective date of a single tariff provision proposed in the June 15 filing.

<sup>3</sup> Separately, the Commission also noticed a conference to discuss the deficiency letter questions, which occurred on August 11, 2015.

In the October 26 Order, the Commission accepted, subject to compliance filing, the year one enhancement modifications to be effective October 27, 2015.<sup>4</sup>

## **II. Need for Tariff Waiver to Suspend Effective Date**

The software needed to implement the EIM year one enhancement tariff changes must be bundled with the other software enhancements to be included in the 2015 fall release, namely the June 5, 2015 amendment to the CAISO's commitment cost compensation provisions<sup>5</sup> and the July 14, 2015 amendment to the CAISO's validation process for self-schedules supported by existing transmission contracts and transmission ownership rights.<sup>6</sup> The Commission issued an order conditionally approving the EIM year one enhancements amendment yesterday, October 26. Because of the activities that the CAISO needs to complete to implement the EIM year one enhancements, the CAISO has determined that it is infeasible to implement the 2015 fall release today, October 27.<sup>7</sup> Instead, the CAISO will implement the 2015 fall release on either: (1) October 31, 2015, if the Commission issues certain orders referenced below regarding the EIM by 5:00 p.m. Eastern Standard Time (EST) on October 28,

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<sup>4</sup> See October 26 Order at Ordering Paragraphs A and B.

<sup>5</sup> On September 9, 2015, in Docket No. ER15-1875, the Commission issued an order accepting certain of the tariff revisions proposed in this filing and rejecting others. *Cal. Indep. Sys. Operator Corp.*, 152 FERC ¶ 61,185 (2015).

<sup>6</sup> On September 14, 2015, the Commission issued an order accepting tariff revisions filed in Docket No. ER15-2204 to implement the amendment to the CAISO's validation process for such self-schedules. *Cal. Indep. Sys. Operator Corp.*, 152 FERC ¶ 61,195 (2015).

<sup>7</sup> See CAISO market notice, "Fall 2015 Release: Activation Date to be Rescheduled" (issued Oct. 26, 2015). This market notice is available on the CAISO website at <http://www.caiso.com/informed/Pages/Notifications/MarketNotices/Default.aspx>.

2015; or (2) November 4, 2015, if the Commission does not issue the EIM orders by 5:00 p.m. EST on October 28.

As the CAISO has explained elsewhere, it must complete the following tasks just to implement the EIM year one enhancements:

- Load the Master File with data needed to support the EIM year one enhancements as well as the changes related to the introduction of new energy transfer system resources.
- Conduct pre-day-ahead market procedures to ensure that Master File changes do not negatively impact the production system, and identify and fix any reported issues.
- Deploy the software changes needed for the transmission path, intertie scheduling limits, and interchange constraint limit calculations to support the production changes needed for the EIM year one enhancements.
- Deploy the real-time market software changes needed to support the EIM year one enhancements.<sup>8</sup>

The CAISO has begun this work since the Commission issued its October 26 order on the year one enhancements, but will not commence irreversible actions until after 5:00 p.m. EST on October 28.

Given these prerequisite activities, the earliest that the CAISO can feasibly implement the 2015 fall release is on October 31, which also would permit Nevada Power Company and Sierra Pacific Power Company, d/b/a NV Energy, Inc. (collectively, "NV Energy") to begin participating in the EIM on November 1, 2015. Deploying the 2015 fall software release on this timeline would require a commitment of CAISO personnel outside of normal business hours. Moreover, the CAISO has explained that NV Energy can participate in the EIM on

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<sup>8</sup> CAISO Response to Deficiency Letter Regarding August 19 Filing in Compliance with July 20, 2015 Order, Docket No. ER15-861-006, at 37-38 (Oct. 21, 2015).

November 1 only after certain Commission actions occur as specified in the CAISO answer in Docket No. ER15-861-005 filed on October 26, 2015.<sup>9</sup>

The Commission would have to issue these EIM orders by 5:00 p.m. EST on October 28 in order to make it reasonable for the CAISO to perform the concentrated work on the 2015 fall release that would be necessary to permit NV Energy to participate in the EIM on November 1, 2015. Depending on Commission action by that time, the CAISO will inform the market through a market notice of the 2015 fall release date.

### **III. Petition for Limited Tariff Waiver**

Good cause exists for the Commission to grant a limited waiver to suspend the effectiveness of the tariff revisions on EIM year one enhancements accepted in the October 26 order until no later than November 4, 2015. The Commission has previously granted requests for tariff waivers in situations where (1) the waiver is of limited scope; (2) a concrete problem needs to be remedied; and (3) the waiver did not have undesirable consequences, such as harming third parties.<sup>10</sup> This waiver petition meets all three conditions.

The waiver is of limited scope in that it will apply for no more than eight days, from October 27, 2015 until no later than November 4, 2015. The CAISO will issue a market notice and make an informational filing with the Commission

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<sup>9</sup> Motion for Leave to Answer and Answer of the CAISO to Protests and Comments, Docket No. ER15-861-005, at 6-7 (Oct. 26, 2015).

<sup>10</sup> See, e.g., *N.Y. Indep. Sys. Operator, Inc.*, 146 FERC ¶ 61,061, at P 19 (2014); *PJM Interconnection, L.L.C.*, 146 FERC ¶ 61,041, at P 5 (2014); *ISO New England, Inc.*, 134 FERC ¶ 61,182, at P 8 (2011); *Cal. Indep. Sys. Operator Corp.*, 132 FERC ¶ 61,004, at P 10 (2010).

when it implements the tariff revisions.<sup>11</sup> The waiver will also remedy the concrete problem that the EIM year one enhancements cannot go into effect until the 2015 fall release is implemented, because the software needed to implement the tariff revisions accepted in this proceeding must be bundled with the other software enhancements to be included in the 2015 fall release. Further, the waiver will not have undesirable consequences because the existing CAISO EIM tariff provisions will remain in effect until the tariff revisions can be implemented. This waiver will effectively maintain the status quo for a short period while allowing the CAISO to implement the tariff revisions as expeditiously as possible. Therefore, good cause exists to grant the CAISO's request for limited waiver of the tariff revisions.

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<sup>11</sup> The Commission has authorized such an approach in granting prior tariff waiver requests. See *Cal. Indep. Sys. Operator Corp.*, 149 FERC ¶ 61,285 (2014).

#### IV. Conclusion

For the foregoing reasons, the Commission should find that good cause exists to grant a limited waiver to suspend the effectiveness of the EIM year one enhancement tariff revisions accepted in this proceeding, until no later than November 4, 2015.

Respectfully submitted,

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Counsel for the California Independent System Operator Corporation

Dated: October 27, 2015

## CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed in 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 Washington, DC this 27<sup>th</sup> day of October, 2015.

/s/ Bradley R. Miliauskas  
Bradley R. Miliauskas