

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

California Independent System            )  
Operator Corporation                        )       Docket No. ER16-2023-000

**PETITION FOR LIMITED TARIFF WAIVER TO MODIFY EFFECTIVE DATE  
AND REQUEST FOR EXPEDITED CONSIDERATION**

The California Independent System Operator Corporation (CAISO) seeks a limited waiver<sup>1</sup> to suspend for one-month the effectiveness of the flexible ramping product tariff revisions accepted in the Commission’s September 26, 2016 order.<sup>2</sup> In the September 26 Order, the Commission accepted the CAISO’s proposed tariff revisions to replace its existing flexible ramping constraint with a new flexible ramping product, effective October 1, 2016. A limited waiver suspending the effectiveness of these tariff revisions until November 1, is now necessary for the CAISO to implement the new flexible ramping product.

Good cause exists for the requested waiver. The requested waiver is of limited scope in that it will apply for only one month. It will also remedy the concrete problem that, under the circumstances described below, the CAISO has determined it cannot feasibly implement the tariff revisions by October 1. Further, there will be no undesirable consequences from a waiver, because it will maintain the status quo of the existing flexible ramping constraint. For these reasons, the CAISO respectfully requests that the Commission grant the petition.

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<sup>1</sup> 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.

<sup>2</sup> *Cal. Indep. Sys. Operator Corp.*, 156 FERC ¶ 61,226 (2016) (September 26 Order).

The CAISO also requests expedited consideration of this petition, to provide certainty to market participants and the CAISO that they can safely proceed towards implementation of the flexible ramping product on November 1, 2016. Specifically, the CAISO requests that the Commission require any comments to be filed within twelve days of this request and that the Commission grant this petition by October 24, 2016. This will allow all parties to deploy their systems no later than October 25, 2016.

## **I. Background**

On June 24, 2016, the CAISO filed proposed tariff revisions to replace the existing flexible ramping constraint applied in its real-time market with a new flexible ramping product. The flexible ramping product will allow the CAISO to manage the ramping capability necessary for meeting changes in net demand that have become more challenging with the increased participation of variable energy resources. The CAISO requested an order by September 22, 2016, to provide the CAISO and market participants with sufficient time to prepare for implementation of the flexible ramping product on the requested effective date of October 1.<sup>3</sup> The Commission accepted the tariff revisions effective October 1, 2016, in the September 26 Order.

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

On September 22, during its regularly scheduled market simulation call with market participants, having not yet received an order on the flexible ramping product enhancement, the CAISO committed to confirm at the next market

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<sup>3</sup> Transmittal letter for June 24 filing at 1, 33.

simulation call, scheduled for September 26, at 1:00 p.m. on September 26, 2016, whether it would deploy the flexible ramping product on October 1, 2016. This commitment was necessary in light of concerns expressed by market participants regarding the uncertainty surrounding the deployment.

The Commission issued its order on September 26, 2016,<sup>4</sup> but unfortunately after the 1:00 pm market simulation call, where the ISO had announced its intent to reschedule the flexible ramping product deployment to November 1, 2016. After receiving the Commission's September 26 order, the CAISO considered reverting back to an October 1, 2016 deployment. The CAISO was concerned, however, that having already announced at the market simulation call its intent to reschedule the deployment, again changing the deployment date would cause confusion with market participants and possibly create issues with effectively deploying this important market enhancement. The CAISO thus decided to stay the course with the November 1, 2016, deployment date, announced earlier in the day. The CAISO issued a market notice on September 27, 2016, announcing the November 1, 2016 deployment date.<sup>5</sup>

The CAISO has determined that given the state of the systems, a full five business days are required to transition to the flexible ramping product. To implement the new flexible ramping product, the CAISO must deploy configuration changes to its market and settlement systems to activate the new functionality and its associated charge codes and to retire the charge codes

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<sup>4</sup> The September 26 Order was posted at 2:09, Pacific Time (5:09 p.m. Eastern time).

<sup>5</sup> <http://www.caiso.com/Documents/Fall2016Release-FlexibleRampingProductActivationRescheduled-110116.html>

associated with the existing flexible ramping constraint. Market participants must also transition their settlement systems to the new functionality. These transitional changes will take five business days to effectively implement.

November 1 is the next feasible date for deployment of the flexible ramping product. This enhancement includes monthly settlement calculations and, therefore, requires a beginning of the month commencement to avoid settlement issues during the transition month. Thus, a later date in October would not have been feasible. Because this enhancement will benefit the market significantly, it is in the interest of the CAISO and its market participants to deploy the functionality as soon as possible. November 1, 2016 is that next possible date. This date will also allow market participants, and the CAISO, to transition more smoothly into the new flexible ramping product functionality.<sup>6</sup>

### **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 accepted in the September 26 Order, until no later than November 1, 2016. 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

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<sup>6</sup> Although the ISO has completed its formal market simulation and scenario executions for the fall release, which included the flexible ramping functionality, the ISO will maintain the flexible ramping product functionality in the market simulation environment during a good portion of the month of October when the environment is not in maintenance or used for other market simulation activities. This environment will not include additional flexible ramping product structured simulations but it will enable market participants to continue to observe the flexible ramping product performance in a simulated environment. The ISO will also continue to accept and respond to any issues reported by market participants during this time. During the month of October, the ISO will also retain the flexible ramping constraint functionality in production.

have undesirable consequences, such as harming third parties.<sup>7</sup> This waiver request meets all three conditions.

The waiver is of limited scope in that it will apply for only one month, from October 1 until November 1. The waiver will also remedy the concrete problem that the CAISO cannot feasibly implement the tariff revisions by October 1. As explained above, at least a full five business days are required to implement the flexible ramping product to mitigate a risk of errors during the transition. Further, the waiver will not have undesirable consequences, because it will maintain the status quo of the existing flexible ramping constraint for October. Therefore, good cause exists to grant the CAISO's request for limited waiver of the October 1 effective date for these tariff revisions.<sup>8</sup>

#### **IV. Request for Expedited Consideration**

To provide market participants and the CAISO with sufficient notice that they can proceed safely towards the deployment of flexible ramping product on November 1, 2016, the CAISO respectfully requests a shortened comment period and expedited consideration of this petition. Specifically, the CAISO requests that the Commission require any comments to be filed no later than twelve days from this request and that the Commission grant this petition by October 24, 2016.

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<sup>7</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).

<sup>8</sup> Pursuant to this filing, in the absence of a ruling by October 1, the CAISO plans to refrain from implementing the tariff provisions on October 1 unless the Commission directs the CAISO otherwise. The Commission has previously granted requests for limited tariff waiver applicable to dates prior to the date of the Commission's order. See, e.g., *N.Y. Indep. Sys. Operator*, 146 FERC ¶ 61,061, at P 1; *Waterbury Generation LLC*, 120 FERC ¶ 61,007, at PP 1, 3 (2007).

## V. Conclusion

For the foregoing reasons, the Commission should find that good cause exists to (1) require the filing of any comments on this petition by October 10, 2016; and (2) issue an order by October 24, 2016 that grants a limited waiver to suspend the effectiveness of the tariff revisions to implement the flexible ramping product accepted in this proceeding, until November 1, 2016.

Respectfully submitted,

/s/ Anna A. McKenna  
Anna A. McKenna

Sean A. Atkins  
Michael E. Ward  
Alston & Bird LLP  
The Atlantic Building  
950 F Street, NW  
Washington, DC 20004  
Tel: (202) 239-3300  
Fax: (202) 654-4875  
[michael.ward@alston.com](mailto:michael.ward@alston.com)

Roger E. Collanton  
General Counsel  
Anna A. McKenna  
Assistant General Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Tel: (916) 608-7287  
Fax: (916) 608-7222  
[amckenna@caiso.com](mailto:amckenna@caiso.com)

Counsel for the California Independent System Operator Corporation

Dated: September 28, 2016

## 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 Folsom, California this 28<sup>th</sup> day of September, 2016

*/s/ Grace Clark*  
Grace Clark