

148 FERC ¶ 61,243
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;
Philip D. Moeller, Tony Clark,
and Norman C. Bay.

California Independent System Operator Corporation

Docket No. ER14-2607-000

ORDER ACCEPTING NON-CONFORMING EIM ENTITY AGREEMENT

(Issued September 29, 2014)

1. In this order, the Commission accepts proposed non-conforming provisions to the *pro forma* EIM Entity Agreement (EIM Entity Agreement) between the California Independent System Operator Corporation (CAISO) and PacifiCorp, to become effective September 30, 2014, as requested.

I. Background

2. On February 28, 2014, CAISO filed proposed tariff revisions to offer participation in the imbalance energy portion of its real-time market to other balancing authority areas (BAAs) in the Western states.¹ The Commission conditionally accepted the EIM Tariff Filing on June 19, 2014.² Under the EIM, entities with BAAs outside of CAISO may voluntarily take part in the imbalance energy portion of CAISO's locational marginal price-based real-time market alongside participants from within the CAISO BAA. PacifiCorp's two BAAs—PacifiCorp East and PacifiCorp West—are slated to be the first participants in the EIM. The June 19 Order noted the concerns raised by a number of

¹ Tariff Amendments to Implement an Energy Imbalance Market, Docket No. ER14-1386-000 (Feb. 28, 2014) (EIM Tariff Filing).

² *Cal. Indep. Sys. Operator Corp.*, 147 FERC ¶ 61,231 (2014) (June 19 Order). CAISO submitted its compliance filing to implement the directives in the June 19 Order on July 21, 2014 in Docket No. ER14-1386-001, and requests for rehearing and clarification of the June 19 Order are currently pending in Docket No. ER14-1386-002.

parties regarding the potential adverse impact of the EIM on dynamic transfer capability on Bonneville Power Administration's (Bonneville) transmission system and the California-Oregon Intertie and CAISO's assertion, in its EIM Tariff Filing, that it does not enforce dynamic transfer capability limits at this time. The June 19 Order expressed confidence that these matters will be appropriately addressed in the framework created by the memorandum of understanding among Bonneville, CAISO, and PacifiCorp.³

3. CAISO explains that EIM Transfers between CAISO and the PacifiCorp West BAA will flow over the California-Oregon Intertie.⁴ Bonneville is the northern path operator of the California-Oregon Intertie. Under Bonneville's business practice manual governing dynamic transfer capability over the California-Oregon Intertie,⁵ only 200 MW of on-peak dynamic transfer rights and 550 MW of off-peak dynamic transfer rights may be allocated to transmission customers requesting dynamic use of the California-Oregon Intertie.⁶ CAISO states that it has been working with Bonneville and PacifiCorp since early 2013 to determine how to facilitate EIM Transfers over the California-Oregon Intertie, consistent with the Bonneville business practice.

4. As part of the June 19 Order, the Commission approved the EIM Entity Agreement between CAISO and PacifiCorp, which became effective on July 31, 2014. The EIM Entity Agreement sets out the respective roles of CAISO, as the EIM market operator, and PacifiCorp, as the EIM Entity (i.e., a BAA that joins the EIM).⁷ Section 2.5 of the EIM Entity Agreement requires that:

³ June 19 Order, 147 FERC ¶ 61,231 at P 259.

⁴ Transmittal Letter at 2. Section 1.11H of PacifiCorp's Open Access Transmission Tariff (OATT) defines an "EIM Transfer" as the transfer of real-time energy resulting from an EIM dispatch instruction either between PacifiCorp's BAAs, between a PacifiCorp BAA and the CAISO BAA, between a PacifiCorp BAA and another EIM Entity's BAA, or between the CAISO BAA and another EIM Entity BAA using transmission capacity available in the EIM.

⁵ Bonneville's Dynamic Transfer Operating and Scheduling Requirements business practice is *available at*:
http://transmission.bpa.gov/ts_business_practices/Content/7_Scheduling/Dynamic_Transfer_Op_Sched.htm.

⁶ See Transmittal Letter at 2 n.3; Bonneville Business Practice at section I.9.

⁷ The *pro forma* EIM Entity Agreement was accepted in the June 19 Order and made effective July 1, 2014.

[t]he EIM Entity shall make available for use in the Real-Time Market transmission capacity on its system that is not otherwise encumbered, reserved, scheduled, or being used by its transmission customers or by others and shall make arrangements with third party transmission service providers within its Balancing Authority Area that intend to enable [EIM] services on their transmission systems for use in the Real-Time Market. The EIM Entity shall provide the CAISO with real time information regarding the availability of transmission capacity for use in the [EIM] as provided in the CAISO Tariff and Business Practice Manual for the [EIM.]

II. CAISO's Filing

5. CAISO proposes to amend the EIM Entity Agreement so that PacifiCorp may account for EIM Transfers on the California-Oregon Intertie using a five-minute dynamic e-Tag and a 15-minute static (normal) e-Tag, which CAISO states is consistent with its tariff.⁸ To support and clarify its inclusion of a 15-minute static component of an aggregate dynamic schedule for EIM Transfers on the California-Oregon Intertie, CAISO proposes to add two non-conforming provisions to the EIM Entity Agreement.⁹ CAISO asserts that the proposed provisions are necessary to ensure that EIM Transfers on the California-Oregon Intertie are maximized and not unduly limited, and to incorporate the operational solutions being developed by CAISO, PacifiCorp, and Bonneville.¹⁰

6. CAISO explains that, under its existing tariff language, an EIM Entity would submit a single dynamic e-Tag reflecting the maximum available transmission capacity for EIM Transfers that could occur on each intertie internal to the EIM area.¹¹ In this filing, CAISO proposes to deviate from this requirement by adding section 2.5.1 under the EIM Entity Agreement, which provides that PacifiCorp “may account for EIM Transfers on the California-Oregon Intertie using a combination of normal (i.e., static) and dynamic e-Tags to maximize EIM Transfers consistent with the rights of a ‘PacifiCorp Interchange Rights Holder’ as defined in [PacifiCorp’s] [OATT].”¹²

⁸ Transmittal Letter at 1.

⁹ *See id.* at 3.

¹⁰ *Id.* at 3.

¹¹ *Id.* at 2; CAISO, eTariff, § 29.7 EIM Operations under Normal and Emergency Conditions (0.0.0), § 29.7(e).

¹² Transmittal Letter, Attachment B, EIM Entity Agreement, proposed section 2.5.1. Section 1.30J of PacifiCorp’s OATT defines a PacifiCorp Interchange

According to CAISO, PacifiCorp will create five-minute dynamic e-Tags for the California-Oregon Intertie with the transmission capacity equal to the dynamic transfer capability allocated by Bonneville to PacifiCorp, and will also create 15-minute e-Tags to differentiate the amount of California-Oregon Intertie transmission capacity available for EIM Transfers on a 15-minute basis.¹³ CAISO states that PacifiCorp will then designate a maximum amount of capacity available for EIM Transfers 75 minutes prior to the operating hour. CAISO states that the use of five-minute dynamic e-Tags is consistent with the dynamic transfer capability limits set forth in Bonneville's business practice manual.¹⁴

7. CAISO explains that it currently models and manages EIM Transfers between BAAs participating in the EIM as aggregate dynamic schedules, and the EIM Entity updates the dynamic e-Tag after-the-fact based on CAISO's calculation of EIM Transfers that occurred on each intertie internal to the EIM.¹⁵ CAISO asserts that it will continue to manage EIM Transfers on the California-Oregon Intertie as aggregate dynamic schedules, consistent with its tariff, and will not exceed PacifiCorp's allocation of dynamic transfer capability on the California-Oregon Intertie in any five-minute interval.¹⁶ CAISO also states that it will model the transmission capacity available for EIM Transfers on the California-Oregon Intertie based on the combination of static and dynamic e-Tags, and will distinguish EIM Transfers from the static hourly and 15-minute e-Tags that PacifiCorp submits as part of its EIM interchange base schedule.¹⁷ Proposed section 2.5.2 of the tariff provides that CAISO "shall model and manage EIM Transfers over the California-Oregon Intertie as aggregate Dynamic Schedules based on a combination of the normal (i.e., static) and dynamic E-Tags accounted for by [PacifiCorp] pursuant to section 2.5.1, as provided in the CAISO Tariff."¹⁸

Rights Holder as: "[a] Transmission Customer who has informed [PacifiCorp] that it is electing to make reserved firm transmission capacity for an Interchange available for EIM Transfers without compensation."

¹³ Transmittal Letter at 4.

¹⁴ *Id.* at 3. See Bonneville Business Practice at section I.9.

¹⁵ Transmittal Letter at 2; CAISO, eTariff, § 29.7(f).

¹⁶ *Id.* at 5.

¹⁷ *Id.* at 4-5.

¹⁸ *Id.*, Attachment B, EIM Entity Agreement, proposed section 2.5.2.

8. CAISO contends that the proposed non-conforming provisions clarify the application of its tariff requirements with respect to EIM Transfers under the circumstances specific to PacifiCorp—i.e., by facilitating EIM Transfers over the California-Oregon Intertie.¹⁹ In particular, CAISO states that by enabling PacifiCorp to submit a 15-minute static e-Tag as well as a five-minute dynamic e-Tag, the provisions ensure that Bonneville will be able to account for the portion of EIM Transfers limited to the dynamic transfer capability allocated to PacifiCorp separately from those that use 15-minute static schedules. According to CAISO, the provisions will also permit PacifiCorp to make additional capacity available for EIM Transfers up to the limit of its contractual rights on the California-Oregon Intertie and will also ensure that CAISO will remain in compliance with its current tariff requirements regarding EIM Transfers in the event that PacifiCorp does not submit a single dynamic e-Tag.

9. CAISO asserts that the proposed non-conforming provisions are consistent with its tariff, as well as with representations it made in its April 15, 2014 answer in Docket No. ER14-1386-000 regarding the differences between static exports and EIM Transfers.²⁰ However, to the extent that the Commission finds that the CAISO tariff requires PacifiCorp to submit a single dynamic e-Tag to account for EIM Transfers, or CAISO to model or manage EIM Transfers based on the submission of a single dynamic e-Tag, CAISO requests waiver of these requirements.²¹ CAISO states that it expects that other EIM Entities will submit a single dynamic e-Tag to account for EIM Transfers, unless they can provide similarly compelling reasons to support an alternative approach. CAISO asserts that acceptance of the amendment will facilitate EIM Transfers and make PacifiCorp's rights on the California-Oregon Intertie available to the fullest extent possible upon commencement of the EIM.²²

¹⁹ *Id.* at 4.

²⁰ *Id.* at 5. *See* Motion and Answer to Comments and Protests of the California Independent System Operator Corporation, Docket No. ER14-1386-000 at 49-65 (April 15, 2014). CAISO explained that it must dispatch around static schedules to honor the schedule and prescribed ramps between the schedules, but that dynamic schedules are not guaranteed to flow beyond the five-minute dispatch interval, and thus provide more flexibility to CAISO and less certainty to the scheduling coordinator. *Id.* at 57.

²¹ Transmittal Letter at 6.

²² *Id.*

10. CAISO requests waiver of the Commission's 60-day notice requirements²³ to permit the non-conforming provisions to become effective on September 30, 2014, one day prior to the planned implementation of the EIM.²⁴ CAISO submits that its requested effective date is necessary to support PacifiCorp's submission of the EIM Transfer base schedule and e-Tag information and CAISO's modeling as aggregate dynamic schedules. CAISO notes that PacifiCorp and Bonneville only recently reached agreement regarding 15-minute scheduling. Finally, to the extent that any filing requirement in Part 35 of the Commission's regulations is not satisfied by its filing, CAISO requests waiver of such requirement.

III. Notice and Responsive Pleadings

11. Notice of CAISO's filing was published in the *Federal Register*, 79 Fed. Reg. 47,635 (2014), with interventions and protests due on or before August 27, 2014. Timely motions to intervene were filed by Powerex Corporation; the Modesto Irrigation District; the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California; the Cities of Santa Clara and Redding, California and the M-S-R Public Power Agency; Southern California Edison Company; and Pacific Gas and Electric Company. The Transmission Agency of Northern California (TANC), PacifiCorp, and Bonneville filed timely motions to intervene and comments. Portland General Electric Company filed a motion to intervene out-of-time. On September 3, 2014, CAISO filed an answer to TANC's comments.

A. Comments in Support

12. PacifiCorp states that it supports the proposed non-conforming provisions because they address the specific circumstances involving the California-Oregon Intertie separate and apart from PacifiCorp's ownership rights and transmission reservations.²⁵ PacifiCorp states that the proposed changes recognize that PacifiCorp may account for EIM Transfers on the California-Oregon Intertie using a combination of normal (static) and dynamic e-Tags in order to maximize EIM Transfers consistent with the rights of a PacifiCorp Interchange Rights Holder. Additionally, PacifiCorp explains that CAISO

²³ 18 C.F.R. § 35.3(a)(1) (2014).

²⁴ Transmittal Letter at 7.

²⁵ PacifiCorp Comments at 4.

will continue to model and manage the California-Oregon Intertie EIM Transfers as an aggregate dynamic schedule incorporating both the static and dynamic e-Tags.²⁶

13. According to PacifiCorp, the proposed non-conforming provisions are consistent with the PacifiCorp Interchange Rights Holder mechanism—conditionally approved by the Commission, in substantial part, in connection with PacifiCorp’s EIM OATT revisions—which maximizes the benefits of the EIM by supporting increased EIM Transfer capacity.²⁷ PacifiCorp submits that, in compliance with the June 19 Order accepting its EIM proposal, it has revised section 5.2 of Attachment T under its OATT to provide that the provision of EIM Transfer capacity shall be implemented through a PacifiCorp Interchange Rights Holder’s submission of an e-Tag by 75 minutes prior to the operating hour or (T-75).²⁸ Additionally, PacifiCorp explains that the PacifiCorp Interchange Rights Holder will designate the maximum amount of capacity available for EIM Transfers by T-75 for both the normal and dynamic schedules through e-Tags.²⁹

14. PacifiCorp further explains that the PacifiCorp Interchange Rights Holder will create a five-minute dynamic e-Tag for California-Oregon Intertie schedules with transmission capacity equal to the dynamic transfer capability allocated to PacifiCorp by Bonneville, as the administrator of dynamic transfer capability over the California-Oregon Intertie, which will be submitted no later than T-75. According to PacifiCorp, the PacifiCorp Interchange Rights Holder will include on the e-Tag a unique OASIS identification reservation number(s) or Assignment Reference Number associated with firm transmission rights belonging to the PacifiCorp Interchange Rights Holder as well as the amount of transmission capacity to be made available for EIM Transfers in the transmission profile of the e-Tag, which is not to exceed the rights associated with the PacifiCorp Interchange Rights Holder’s Assignment Reference Number.³⁰

15. Similarly, PacifiCorp will also create a normal 15-minute e-Tag for the California-Oregon Intertie schedules with the transmission capacity equal to the amount that the PacifiCorp Interchange Rights Holder determines to make available to for EIM Transfers;

²⁶ *Id.*

²⁷ *Id.* at 6 (citing *PacifiCorp*, 147 FERC ¶ 61,227, at P 114 (2014)).

²⁸ *Id.* On July 18, 2014, PacifiCorp submitted compliance revisions to section 5.2 of Attachment T in Docket No. ER14-1578-001.

²⁹ PacifiCorp Comments at 6-7.

³⁰ *Id.* at 7.

which will be submitted no later than T-75. PacifiCorp explains that the normal 15-minute e-Tags are not subject to Bonneville's limitations on dynamic transfer capability for the California-Oregon Intertie.³¹ Similar to the dynamic e-Tag, PacifiCorp states that the PacifiCorp Interchange Rights Holder will include on the e-Tag a unique Assignment Reference Number associated with firm transmission rights belonging to the PacifiCorp Interchange Rights Holder, which will include a value on the e-Tag for the amount of transmission capacity to be made available for EIM Transfers. According to PacifiCorp, this will be included in the energy profile of the normal e-Tag and can also be included in the transmission profile of the e-Tag. PacifiCorp maintains that the transmission capacity made available for EIM Transfers in the normal e-Tag may not exceed the rights associated with the PacifiCorp Interchange Rights Holder's Assignment Reference Number.³²

16. PacifiCorp states that for both five-minute dynamic e-Tags and 15-minute e-Tags, CAISO, as the market operator, will receive the stated values and will not permit EIM Transfers to exceed the stated value.³³ Thus, it is PacifiCorp's position that the total amount of transmission capacity made available for EIM Transfers through the combined dynamic and normal e-Tags will not exceed the PacifiCorp Interchange Rights Holder's firm transmission rights on the California-Oregon Intertie.³⁴

17. In addition, PacifiCorp states that the proposed non-conforming provisions recognize specific operational issues for the California-Oregon Intertie that are unique to PacifiCorp's use of its rights.³⁵ PacifiCorp notes that, under Bonneville's Business Practice, dynamic transfer capability schedules are limited to 200 MW in the aggregate during 0600 to 2200 daily and 550 MW during 2200 to 0600 daily.³⁶ PacifiCorp explains that if the total aggregated amount of dynamic transfer capability schedules requested exceeds the available dynamic transfer capability, Bonneville will allocate the available

³¹ *Id.*

³² *Id.* at 8.

³³ *Id.* at 7-8.

³⁴ *Id.* at 8.

³⁵ *Id.* at 5, 8.

³⁶ *Id.*

dynamic transfer capability equally among all entities submitting dynamic schedules using the California-Oregon Intertie.³⁷

18. As a final matter, PacifiCorp states that the proposed changes are consistent with the memorandum of understanding entered into by CAISO, PacifiCorp, and Bonneville for all parties to work together in good faith to identify and address operational issues of concern prior to the start of the EIM.³⁸ Moreover, PacifiCorp states that the proposed changes reflect continued cooperative effort among itself, CAISO, and Bonneville.³⁹

19. Bonneville also supports the proposed non-conforming changes noting that they reflect the current scheduling paradigm on the California-Oregon Intertie, are consistent with discussions among Bonneville, PacifiCorp, CAISO, and Bonneville's stakeholders, and will minimize seams issues by using a common scheduling practice for the region.⁴⁰ Bonneville states that the dynamic schedules will be created for an entire hour, and that the energy profile will be updated after-the-fact.⁴¹ Bonneville agrees with CAISO's assertion that, with the proposed non-conforming provisions, scheduling under the EIM Entity Agreement will not be unduly limited, and notes that it is working with ColumbiaGrid and other regional parties to update the scheduling limits in the Bonneville Business Practice and better understand the dynamic capability of the California-Oregon Intertie.⁴²

20. Bonneville also supports, as consistent with its discussions with CAISO, the assertion that CAISO will limit five-minute dispatches on the California-Oregon Intertie to PacifiCorp's allocation of dynamic transfer capability in modeling EIM Transfers as aggregate dynamic schedules. Bonneville notes that all users of dynamic schedules on the California-Oregon Intertie are responsible for staying within their allocation of dynamic transfer capability, and appreciates CAISO's confirmation that it will operate

³⁷ PacifiCorp states that this practice applies to all users of the California-Oregon Intertie, regardless of the ownership rights of the transmission capacity being utilized for the dynamic transfer. *Id.* at 8.

³⁸ *Id.* at 9.

³⁹ *Id.* at 1-2.

⁴⁰ Bonneville Comments at 2-3.

⁴¹ *Id.* at 2-3.

⁴² *Id.* at 3.

the EIM to maintain PacifiCorp's dynamic dispatches in the same manner. Finally, Bonneville states that the proposed non-conforming provisions are specific to PacifiCorp's participation in the EIM, and observes that if other parties utilizing transmission on the California-Oregon Intertie become EIM Entities, those parties will likely employ the same scheduling practices and thus need similar non-conforming provisions.⁴³

B. TANC Comments

21. TANC takes no position in its comments regarding whether the Commission should accept the proposed non-conforming provisions, but asks the Commission to condition any such approval on CAISO providing additional explanation or undertaking additional studies to address whether including static schedules in the EIM will adversely impact non-participants' transmission rights and facilities.⁴⁴ TANC states that it submitted comments on the EIM Tariff Filing requesting that the Commission require CAISO to ensure that the EIM will not adversely impact non-participating transmission assets by directing CAISO to undertake pre-implementation testing to identify, and take mitigation measures to resolve, any adverse impacts.⁴⁵ According to TANC, the Commission dismissed these concerns in the June 19 Order stating that CAISO's planned EIM market simulation would identify any potential problems.⁴⁶ In light of the changes proposed here, TANC questions the ability of the market simulation to effectively identify potential problems or corrective actions.⁴⁷ In particular, TANC notes that CAISO has not clarified whether the market simulation considered combined static and dynamic schedules, and how much transfer capability was assumed for purposes of the simulation.⁴⁸

22. TANC also contends that permitting static schedules calls into question CAISO's representation that the EIM will only use the capacity made available by CAISO's participating transmission owners "or by EIM transmission service providers as a

⁴³ *Id.* at 3-4.

⁴⁴ TANC Comments at 1.

⁴⁵ *Id.* at 6.

⁴⁶ *Id.* at 7-8.

⁴⁷ *Id.* at 8.

⁴⁸ *Id.* at 9.

dynamic schedule and will not impact current flows.”⁴⁹ TANC therefore requests that the Commission require CAISO to: (1) explain whether the market simulation accounted for combined static and dynamic schedules; (2) identify the amount of EIM Transfer capability considered in the simulation; and (3) explain whether allowing static schedules in the EIM affects previously modeled flows.⁵⁰ To the extent that CAISO has not addressed the potential impacts of permitting static schedules, TANC urges the Commission to require CAISO to do so prior to approving the proposed non-conforming provisions to the EIM Entity Agreement.

C. CAISO Answer

23. In its answer, CAISO asserts that the proposed non-conforming changes do not implicate the need for any further studies and that TANC provides no basis to question the findings in the June 19 Order.⁵¹ CAISO explains that it plans to model and manage EIM Transfers on the California-Oregon Intertie as aggregate dynamic schedules, regardless of whether PacifiCorp submits a single dynamic e-Tag or a combination of static and dynamic e-Tags, and that it will model the EIM Transfer limit as a separate constraint in the CAISO markets, rather than as a static schedule as TANC’s comments suggest.⁵² CAISO states that it will manage EIM Transfers on the California-Oregon Intertie based on the available capacity between CAISO and PacifiCorp within the EIM, and in doing so will respect: (1) the dynamic transfer limit allocated to PacifiCorp by Bonneville; (2) the total limit of PacifiCorp’s available rights for EIM Transfers on the California-Oregon Intertie; and (3) third party transmission rights on the California-Oregon Intertie that are not available to CAISO.

24. According to CAISO, capacity made available by a PacifiCorp Interchange Rights Holder on the California-Oregon Intertie will be made available as an EIM Transfer constraint—not as a dynamic or static schedule in the CAISO markets, but as an aggregate dynamic schedule that can bind without impacting either the CAISO market constraint or the transmission rights of entities like TANC’s members that do not participate in the EIM.⁵³ CAISO maintains that the proposed non-conforming changes do

⁴⁹ *Id.* at 9-10 (quoting June 19 Order, 147 FERC ¶ 61,231 at P 261).

⁵⁰ *Id.* at 10.

⁵¹ CAISO Answer at 1.

⁵² *Id.* at 4.

⁵³ *Id.* at 4-5.

not impact CAISO's modeling and management of EIM Transfers as aggregate dynamic schedules, and will not affect other EIM Transfers within the EIM or those that will come into being as other BAAs join the EIM.⁵⁴

25. With respect to TANC's concerns regarding the EIM market simulation, CAISO notes that information regarding the market simulation is publicly available on its website, and that TANC may participate in the market simulation if it has not already done so and may make further inquiries in that forum.⁵⁵ In any event, CAISO asserts that the EIM Transfer limit established in the market simulation relates to the limits on the constraints modeled in the EIM, and has no bearing on whether the transmission rights of non-participants may be impacted.⁵⁶ CAISO further asserts that the market simulation will test functionality associated with the modeling and management of the combination of static and dynamic e-Tags. CAISO states that it will continue with the market simulation and follow-up in connection with the EIM "go-live" preparations, but contends that TANC has not identified any basis to go beyond the planned process.⁵⁷

26. CAISO asserts that the additional information provided in its answer, in conjunction with the comments filed by PacifiCorp and Bonneville, should satisfy TANC's request for further clarification and that no further action should be required at this time.⁵⁸

IV. Discussion

A. Procedural Matters

27. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2014), the

⁵⁴ *Id.* at 5-6.

⁵⁵ *Id.* at 6. See ISO External Market Simulation Plan, Fall Release 2014 (Aug. 27, 2014) available at: <http://www.caiso.com/Documents/Fall2014ReleaseMarketSimulationPlan.pdf>.

⁵⁶ CAISO Answer at 6.

⁵⁷ *Id.* at 7.

⁵⁸ *Id.* at 3-4.

Commission will grant the late-filed motion to intervene of Portland General Electric Company given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

28. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2014), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept CAISO's answer because it has provided information that assisted us in our decision-making process.

B. Commission Determination

29. We will accept the proposed non-conforming provisions to the EIM Entity Agreement, to become effective September 30, 2014, as requested.⁵⁹ We find that the proposed non-conforming provisions are a reasonable means of addressing the complexities of scheduling EIM Transfers over the California-Oregon Intertie, by providing that CAISO will manage EIM Transfers on the California-Oregon Intertie based on the available transmission capacity between CAISO and PacifiCorp in the EIM, while also ensuring that EIM Transfers on the California-Oregon Intertie use only the transmission rights on Bonneville's system made available for that purpose.

30. Contrary to TANC's request, we will not require CAISO to undertake additional studies to address whether the inclusion of static schedules would adversely affect non-participant transmission rights and facilities in the EIM. In the June 19 Order, the Commission determined that CAISO has taken sufficient steps to ensure that EIM Transfers between EIM Entity BAAs and CAISO will not adversely impact non-participant systems, which include entering into the memorandum of understanding with PacifiCorp and Bonneville, undertaking the market simulation, and implementing proposed normal and emergency operations procedures.⁶⁰ With respect to concerns raised by TANC and other intervenors regarding increases in unscheduled flows, the Commission in the June 19 Order expressed satisfaction that CAISO's proposal would not subject non-participants to unreasonable increases in unscheduled flows, and noted that the market simulation should help to identify potential problems and corrective actions.⁶¹

⁵⁹ 18 C.F.R. § 35.11 (2014). See *Central Hudson Gas and Electric Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1993).

⁶⁰ June 19 Order, 147 FERC ¶ 61,231 at P 250.

⁶¹ *Id.* P 268.

31. The proposed non-conforming changes do not call into question these determinations. As CAISO has explained, EIM Transfers on the California-Oregon Intertie will continue to be modeled and managed as aggregate dynamic schedules, as proposed in the EIM Tariff Filing and accepted in the June 19 Order. While the findings in the June 19 Order were not solely premised on the market simulation, CAISO has explained that the market simulation addresses the functionality associated with accepting static and dynamic e-Tags, and that the EIM Transfer limit established in the market simulation is not relevant to the potential impacts of the EIM on the transmission rights of non-participants.⁶² Consistent with the June 19 Order, we accept CAISO's assertion that it will manage EIM Transfers based on the available capacity between CAISO and PacifiCorp within the EIM, without adversely impacting the transmission rights of non-participants.⁶³ We further agree with CAISO that the proposed non-conforming provisions will not impact CAISO's modeling and management of EIM Transfers as aggregate dynamic schedules.⁶⁴

The Commission orders:

CAISO's proposed non-conforming changes to the EIM Entity Agreement are hereby accepted, to become effective September 30, 2014, as requested, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁶² See CAISO Answer at 6.

⁶³ *Id.* at 4.

⁶⁴ *Id.* at 5.