



California ISO

California Independent System Operator Corporation

August 14, 2024

The Honorable Debbie-Anne A. Reese
Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: California Independent System Operator Corporation
Docket No. ER24-____-000
ER08-1178
EL08-88
ER07-1257
ER06-616

Tariff Amendment to Modernize Limited Legacy Reporting Requirements

Dear Secretary Reese:

The California Independent System Operator Corporation (CAISO) submits this tariff amendment to modernize the legacy reporting metrics for Market Disruption and Exceptional Dispatch reports set forth in Sections 7.7.6(d) and 34.11.4 of the CAISO Tariff.¹ As explained more fully below, the tariff provisions setting forth the form and manner of reporting Exceptional Dispatches and Market Disruptions are no longer the most effective means to share this information.² In a contemporaneous motion, the CAISO is requesting the

¹ The CAISO submits this filing pursuant to section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d, and Part 35 of the Commission's Regulations, 18 C.F.R. Part 35. Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the CAISO tariff, and references herein to specific tariff sections are references to sections of the CAISO tariff unless otherwise specified. In a contemptuous submission into the legacy dockets, the CAISO is moving for relief pursuant to Rule 212 to affirm the termination of legacy information-only reporting requirements established by the Commission. See Companion Motion, Docket No. ER08-1178, *et al* (Aug. 14, 2014).

² See Existing CAISO Tariff, Section 34.11.4 (providing that the CAISO will file, through the Commission's docketing system, monthly reports identifying details of prior months' Exceptional Dispatches); Existing CAISO Tariff Section 7.7.6(d) (providing that the CAISO will report on Market Disruption actions consistent with Section 34.11.4).

Commission grant relief from additional non-tariff obligations to submit legacy reports.³

If authorized, the changes requested in these submissions will reduce the regulatory, administrative, and oversight burden for the Commission, the CAISO, and all interested parties. Through this submission the CAISO is proposing limited revisions to Sections 7.7.6(d) and 34.11.4 of the CAISO Tariff to provide for an efficient and effective distribution of information to interested parties. Although the CAISO is seeking to retire its outdated reporting format for Exceptional Dispatch and Market Disruption, the CAISO emphasizes that it will continue to comply with the Commission's standard format of reporting out-of-market actions, including Exceptional Dispatch and Market Disruptions.⁴ The requirement to comply with the Commission's standard reporting is memorialized in Section 6.5.16 of the CAISO Tariff.⁵

The CAISO requests that the Commission accept its limited tariff amendments to modernize Sections 7.7.6(d) and Section 34.11.4 of the CAISO Tariff, effective October 14, 2024. The CAISO respectfully requests that the Commission also issue an Order authorizing it to retire additional non-tariff legacy reports described in the companion motion.⁶

I. Background

The CAISO's Exceptional Dispatch and Market Disruption reporting requirements were developed and established during the course of the Market Redesign and Technology Upgrade ("MRTU") proceedings.⁷ The Commission

³ See California Independent System Operator Corporation Motion for Relief, Docket Nos. ER08-1178, *et al* (August 14, 2024) ("Companion Motion").

⁴ See, e.g., *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 163 FERC ¶ 61,041 (2018) (Order No. 844) (requiring reporting of transactions, including Exceptional Dispatch); *Letter Order*, Docket No. ER18-2398 (Jan. 18, 2019) (accepting the CAISO's changes in compliance with Order No. 844).

⁵ See, e.g., *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 163 FERC ¶ 61,041 (2018) (Order No. 844) (requiring reporting of transactions, including Exceptional Dispatch).

⁶ See Companion Motion, Docket No. ER08-1178 (Aug. 14, 2024).

⁷ *Cal. Indep. Sys. Operator Corp.*, 116 FERC ¶ 61,274, at PP 245-69 (2006) (accepting the CAISO's Exceptional Dispatch mechanism), *order on reh'g*, 119 FERC ¶ 61,076 (2007), *order on reh'g and denying motion to reopen record*, 120 FERC ¶ 61,271 (2007). The CAISO further developed mitigation and reporting measures for Exceptional Dispatch in the course of these proceedings. See *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,150 (2009) (accepting in part, and rejecting in part, exceptional dispatch tariff provisions of the MRTU tariff); *Cal. Indep. Sys. Operator Corp.*, 128 FERC ¶ 61,218 (2010) (accepting exceptional dispatch tariff provisions of the MRTU tariff and directing reporting requirements); *Cal. Indep. Sys. Operator Corp.*, 131 FERC ¶ 61,100 (2010) (clarifying reporting requirements for exceptional dispatches). See also

agreed with the CAISO that “the Exceptional Dispatch mechanism is necessary to ensure reliable operations of the CAISO’s grid” and likewise found the CAISO’s feature to manage Market Disruptions to be just and reasonable.⁸ To promote transparency about how the CAISO would use its Market Disruption⁹ and Exceptional Dispatch authority,¹⁰ and to support “stakeholder process concerning the development of additional market [rules] and mechanisms”¹¹ to address situations that give rise to Market Disruption and Exceptional Dispatch, the Commission directed the CAISO to memorialize in the Tariff the form and substance of periodic Market Disruption and Exceptional Dispatch reports.

The CAISO’s approach to manage the Market Disruption and Exceptional Dispatch mechanisms have remained largely static since their inception. Specifically, with respect to Market Disruption, Section 7.7.6 of the CAISO Tariff outlines actions the CAISO may take in the event of a Market Disruption, to prevent a Market Disruption, or to minimize the extent of a Market Disruption.¹² With respect to Exceptional Dispatch, Section 34.11 of the CAISO Tariff outlines actions the CAISO may take to Exceptionally Dispatch a resource to address a situation that threatens system reliability and that cannot be addressed by the market optimization and system modeling.¹³ Additionally, the CAISO has maintained Section 34.11.2, which provides for Exceptional Dispatch to address certain other specified situations, such as to perform ancillary services testing or pre-commercial operations testing for generating units, and Section 34.11.3,

Cal. Indep. Sys. Operator Corp., 126 FERC ¶ 61,211, P 29 (2009) (establishing Market Disruption reporting requirements); *Cal. Indep. Sys. Operator Corp.*, 129 FERC ¶ 61,196, P 44 (2009) (finding that “regular reporting by the CAISO will provide the necessary transparency to enable stakeholders to remain informed about the use of the [Market Disruption] actions taken by the CAISO.”).

⁸ See *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,211 at P 33; see *Cal. Indep. Sys. Operator Corp.*, 129 FERC at P 36 (rejecting rehearing and providing that “did not require the CAISO to modify the language in proposed tariff section 7.7.15 with respect to actions the CAISO may take in the event of a market disruption, to prevent a market disruption, or to minimize the extent of a market disruption.”).

⁹ See *Cal. Indep. Sys. Operator Corp.*, 129 FERC at P 44.

¹⁰ See *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,150, P 263 (finding that “finds that more regular reporting will provide the necessary transparency to enable stakeholders to remain informed about the use of Exceptional Dispatch.”).

¹¹ *Id.* (directing reporting “to facilitate any stakeholder processes concerning the development of additional market mechanisms to address situations that frequently give rise to exceptional dispatches”); *Cal. Indep. Sys. Operator Corp.*, 129 FERC at P 44 (directing reporting “facilitate any stakeholder processes concerning the development of additional market rules to prevent future market disruptions.”).

¹² See Existing Tariff Section 7.7.6 (providing for Market Disruption actions in similar manner and form as MRTU section 7.7.15).

¹³ Existing CAISO Tariff, Section 34.11.1 (providing for operational Exceptional Dispatches in similar manner and form as MRTU section 34.9.1).

which provides for Exceptional Dispatch to address transmission modelling limitations.¹⁴

The purpose for the periodic submission of informational reports was to aid the CAISO and its stakeholder processes.¹⁵ The tariff provisions the CAISO implemented to effect the reporting requirements were, at the time, an appropriate balance between the need of the CAISO to act promptly to prevent or address emergency conditions and the transparency needs of stakeholders. Since implementing the tariff provisions on periodic Exceptional Dispatch and Market Disruption reporting, the CAISO has submitted hundreds of informational reports on Exceptional Dispatch and Market Disruptions into the Commission's legacy MRTU dockets over the past fifteen years, following the form and manner set forth in the Tariff.¹⁶ These reports have provided stakeholders with full transparency into the CAISO's Market Disruption and Exceptional Dispatch mechanisms. Over the past decade, no party has submitted comments relating to the Market Disruption or Exceptional Dispatch reports filed in the legacy dockets.

II. Proposed Tariff Changes to Modify Legacy Reporting

Through the enclosed amendments the CAISO seeks to modernize the legacy Exceptional Dispatch and Market Disruption reporting currently set forth in its Tariff.¹⁷ In modernizing its reporting, the CAISO intends to continue providing public information on Exceptional Dispatches and Market Disruptions through the Commission's standard reporting format established in Order No. 844, in its stakeholder processes and on its website, but proposes to cease submitting periodic information-only reports into the legacy MRTU dockets.¹⁸

¹⁴ *Id.* at Section 34.11.2 (providing for system reliability Exceptional Dispatches in similar manner and form as MRTU section 34.9.2); Section 34.11.3 (providing for transmission model Exceptional Dispatches in similar manner and form as MRTU section 34.9.3).

¹⁵ See *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,150, P 263 (directing reporting "to facilitate any stakeholder processes concerning the development of additional market mechanisms to address situations that frequently give rise to exceptional dispatches"); *Cal. Indep. Sys. Operator Corp.*, 129 FERC at P 44 (directing reporting "facilitate any stakeholder processes concerning the development of additional market rules to prevent future market disruptions.").

¹⁶ The CAISO has submitted Market Disruption reports into legacy MRTU Docket Nos. ER06-616 and ER07-1257 and has submitted Exceptional Dispatch reports into legacy MRTU Docket Nos. ER08-1178 and EL08-88.

¹⁷ See Existing Tariff Section 34.11.4 (providing for Exceptional Dispatch reports); Section 7.7.6(d) (providing for Market Disruption reports).

¹⁸ For avoidance of doubt, the only reporting requirement the CAISO seeks to change are those set forth explicitly in Sections 7.7.6(d) and 34.11.4 of its Tariff. The CAISO does not seek to revise or modify other reporting obligations, such as the obligation to report operator-initiated

A. The CAISO's periodic reports have served their intended purpose

To enhance transparency upon deployment of MRTU, the Commission directed the CAISO to provide periodic informational Exceptional Dispatch and Market Disruption reports to supplement the Commission's then-standard transactional reporting processes.¹⁹ The Commission explained that it was requiring the CAISO to file uniquely tailored periodic reports because more frequent information would "help facilitate any stakeholder processes concerning the development of additional market mechanisms to address situations that frequently give rise to exceptional dispatches"²⁰ and also "help facilitate any stakeholder processes concerning the development of additional market rules to prevent future market disruptions."²¹ The CAISO memorialized in its Tariff specific details to provide the information necessary to conduct meaningful stakeholder processes regarding potential improvements to the CAISO's use of its Exceptional Dispatch and Market Disruption authority as experience was gained with MRTU.²²

The CAISO has submitted periodic Exceptional Dispatch and Market Disruption reports, of the same form and substance, each month for approximately fifteen years. Likewise, the CAISO has engaged in numerous stakeholder processes over the decades, many of which considered the CAISO's use of its Exceptional Dispatch and Market Disruption authorities. After providing hundreds of detailed informational reports in the legacy MRTU dockets, the CAISO now seeks to modernize this process.

B. The CAISO proposes to modernize the legacy requirements

The reports over the last fifteen years have demonstrated patterns and consistency in the manner in which the CAISO's utilizes its Exceptional Dispatch and Market Disruption authorities. These reports detail how and why exceptional dispatch volumes have occurred.²³ They also detail all reportable Market

commitments, set forth at Section 6.5.16 of the Tariff. See, e.g., *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 163 FERC ¶ 61,041 (2018) (Order No. 844) (requiring reporting of transactions, including Exceptional Dispatch); *Letter Order*, Docket No. ER18-2398 (Jan. 18, 2019) (accepting the CAISO's changes in compliance with Order No. 844).

¹⁹ *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,150, at P 263.

²⁰ *Id.*

²¹ *Cal. Indep. Sys. Operator Corp.*, 129 FERC at P 44.

²² See Existing Tariff Sections 7.7.6(d) and 34.11.4.

²³ See, e.g., Exceptional Dispatch Report for April 2024 (Chart 1 & Chart 2 data) of the California Independent System Operator Corporation, Docket No. ER08-1178 (June 14, 2024); Exceptional Dispatch Report for March 2024 (Chart 1 & Chart 2 data) of the California

Disruptions, along with the nature of the action taken by the CAISO, the rationale, and how action prevented or minimized emergencies and disruptions.²⁴ To the best of the CAISO's knowledge, the monthly reports the CAISO submits into the Commission's legacy MRTU dockets have not directly correlated with recommendations made in the CAISO's stakeholder processes to modify market rules related to the CAISO's Exceptional Dispatch and Market Disruption authorities.²⁵ In the latest effort to assess stakeholder feedback on the market policy initiatives the CAISO should undertake, no stakeholder proposed measures to revise the CAISO's use of Exceptional Dispatch or Market Disruption authority.²⁶ Furthermore, no party has submitted comments in the legacy dockets relating to any recent CAISO reports on Market Disruptions or Exceptional Dispatches.

The Commission acknowledged the extensive burden of the reporting metrics at the time they were memorialized in the Tariff, but determined that the nascent MRTU experience warranted additional transparency so that stakeholders would be able to access information sufficient to understand, evaluate, or propose solutions to the CAISO's use of its Market Disruption Exceptional Dispatch authorities.²⁷ With the passage of time, the CAISO

Independent System Operator Corporation, Docket No. ER08-1178 (May 15, 2024); Exceptional Dispatch Report for February 2024 (Chart 1 & Chart 2 data) of the California Independent System Operator Corporation, Docket No. ER08-1178 (April 15, 2024); Exceptional Dispatch Report for January 2024 (Chart 1 & Chart 2 data) of the California Independent System Operator Corporation, Docket No. ER08-1178 (March 15, 2024); Exceptional Dispatch Report for December 2023 (Chart 1 & Chart 2 data) of the California Independent System Operator Corporation, Docket No. ER08-1178 (February 15, 2024); Exceptional Dispatch Report for November 2022 (Chart 1 & Chart 2 data) of the California Independent System Operator Corporation, Docket No. ER08-1178 (January 16, 2024).

²⁴ See, e.g., Market Disruption Report of 04/16/2024 to 05/15/2024 of the California Independent System Operator Corporation, Docket No. ER06-615 (June 14, 2024); Market Disruption Report of March 16, 2024 to April 15, 2024 of the California Independent System Operator Corporation, Docket No. ER06-615 (May 15, 2024); Market Disruption Report of February 16, 2024 to March 15, 2024 of the California Independent System Operator Corporation, Docket No. ER06-615 (April 15, 2024); Market Disruption Report of January 16, 2024 to February 15, 2024 of the California Independent System Operator Corporation, Docket No. ER06-615 (March 15, 2024); Market Disruption Report of December 16, 2023, to January 15, 2024, of the California Independent System Operator Corporation, Docket No. ER06-614 (February 15, 2024); Market Disruption Report of November 16, 2023 to December 15, 2023 of the California Independent System Operator Corporation (January 16, 2024).

²⁵ Compare *Cal. Indep. Sys. Operator Corp.*, 128 FERC ¶ 61,218, PP 3-51 (explaining that the reason for the extensive reporting obligation as to provide stakeholders information to pursue market design changes).

²⁶ Information of the CAISO's annual policy roadmap process and stakeholder recommendation is available on the CAISO's website:
<https://stakeholdercenter.caiso.com/RecurringStakeholderProcesses/Annual-policy-initiatives-roadmap-process-2024>.

²⁷ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 128 at P 36.

believes the circumstances have changed in a way that warrants modernizing the form and manner of reporting. At the time of these directives, the Commission's docketing system was utilized to ensure all interested parties were provided information sufficient to monitor Exceptional Dispatches and Market Disruptions. In more recent years, parties have relied less on information only reports submitted into legacy dockets maintained by the Commission and have relied more on information obtained through the CAISO website and in the CAISO stakeholder forums. The CAISO remains committed to transparency and responsive engagement and its modernized website serves as a central place to access all the ISO-related resources serving our market participants, stakeholders, regulatory and governmental entities, media, and the general public.²⁸

The CAISO's proposed tariff revisions are limited in scope. First, the CAISO proposes to revise Section 34.11.4 of its tariff to remove the requirement to submit monthly informational reports into the legacy MRTU dockets. Instead, the CAISO will provide information through its relevant stakeholder process, market assessments, and market reports. Second, the CAISO proposes to remove from its tariff specific parameters of Exceptional Dispatch and Market Disruptions reports set forth in Sections 7.7.6(d) and 34.11.4. Instead, the CAISO will provide salient information that is tailored to stakeholder needs. For example, the CAISO will respond to inquiries received from stakeholders through its quarterly market performance and planning forum in which it discusses Exceptional Dispatch volumes and will provide this information on its website page for the quarterly forum.²⁹ The CAISO also intends to include analysis in its monthly market performance reports, on Market Disruption and Exceptional Dispatch, as it does today.³⁰ The CAISO will also continue to maintain the OASIS reporting function to detail individual dispatches.³¹ Removing the legacy form and content requirements, as well as legacy docket submission requirement, will aid administrative efficiency for the Commission, the CAISO, and interested parties. In addition, the CAISO will continue to comply with the Commission's modernized regulations and reporting requirements for operator-initiated commitments.³²

²⁸ See, e.g., "Welcome to the new CAISO.com"
<https://www.caiso.com/about/news/welcome-to-the-new-caiso-com>.

²⁹ The CAISO's market planning and performance forum materials are available at
<https://www.caiso.com/library/market-performance-planning-forum>,

³⁰ See, e.g., <https://www.caiso.com/library/market-performance-reports> (providing information on Exceptional Dispatches and Market Disruptions within the monthly reports);

³¹ The OASIS reports can be accessed by navigating to oasis.caiso.com and following the menus for "Energy" → "System" → "Exceptional Dispatch".

³² See, e.g., Existing CAISO Tariff, Section 6.5.14(c) (providing for reporting of Exceptional Dispatch uplift); Section 6.5.16 (providing for a monthly reporting for operator-initiated commitments).

III. Effective Date(s)

The CAISO respectfully requests the Commission grant waiver of its prior notice requirement to accept the tariff revisions contained in this filing effective October 14, 2024, sixty-one days after filing.

IV. Communications

Under Rule 203(b)(3),³³ the CAISO respectfully requests that all correspondence and other communications about this filing be served upon:

Heather Curlee
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 963-0654
Email: hcurlee@caiso.com

V. Service

The CAISO has served copies of this filing on the CPUC, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff, as well as the official service list for the legacy MRTU dockets in which the CAISO has been submitting the information-only Exceptional Dispatch and Market Disruption reports. In addition, the CAISO has posted a copy of the filing on the CAISO website.

VI. Contents of this filing

Besides this transmittal letter, this filing includes these attachments:

Attachment A	Clean CAISO tariff sheets
Attachment B	Redlined CAISO tariff sheets

³³

18 C.F.R. § 385.203(b)(3).

VII. Conclusion

For the reasons set forth in this filing, the CAISO respectfully requests that the Commission issue an order accepting the tariff revisions effective October 14, 2024. The CAISO respectfully requests that the Commission also grant the relief requested in the companion motion to terminate legacy reporting obligations for specified non-tariff reports.³⁴

Respectfully submitted,

/s/ Heather Curlee

Roger E. Collanton

General Counsel

John C. Anders

Deputy General Counsel

Andrew Ulmer

Assistant General Counsel

Heather Curlee

Senior Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Counsel for the California Independent
System Operator

Attachment A – Clean Tariff

Tariff Amendment – Modernize Legacy Reporting Requirements

California Independent System Operator Corporation

August 14, 2024

7.7.6 System Operations in the Event of a Market Disruption

* * * * *

(d) Reports. The CAISO will report on the frequency of Market Disruptions as part of market performance reporting and post those reports on the CAISO Website.

* * * * *

34.11.4 Reporting Requirements

The CAISO will report on Exceptional Dispatches as part of market performance reporting and post those reports on the CAISO Website.

Attachment B – Marked Tariff

Tariff Amendment – Modernize Legacy Reporting Requirements

California Independent System Operator Corporation

August 14, 2024

7.7.6 System Operations in the Event of a Market Disruption

* * * * *

(d) Reports. The CAISO will report on the frequency of Market Disruptions as part of market performance reporting and post those reports on the CAISO Website. ~~shall include reports on actions taken pursuant to this Section 7.7.6 in the Exceptional Dispatch report provided in Section 34.11.4 of the CAISO Tariff and shall include—~~

~~(1) the frequency and types of actions taken by the CAISO pursuant to this Section 7.7.6;~~

~~(2) the nature of the specific Market Disruptions that caused the CAISO to take action and the CAISO rationale for taking such actions, or the Market Disruption that was successfully prevented or minimized by the CAISO as a result of taking action pursuant to its authority under this Section 7.7.6; and~~

~~(3) general information on the Bids removed pursuant to Section 7.7.7, which may include the megawatt quantity, point of interconnection, specification of the Day Ahead versus Real Time Bid, and Energy or Ancillary Services Bid, and the CAISO's rationale for removal; except that any Scheduling Coordinator specific individual Bid information will be submitted on a confidential basis consistent with FERC's rules and regulations governing requests for confidential treatment of commercially sensitive information~~

* * * * *

34.11.4 Reporting Requirements

The CAISO will report on Exceptional Dispatches as part of market performance reporting and post those reports on the CAISO Website. ~~On the fifteenth day of each month, the CAISO shall file with the Commission and post to the CAISO Website an initial report concerning the Exceptional Dispatches that occurred in the month two months prior to the month in which the report is filed. The report shall identify the frequency, volume, costs, causes, and degree of mitigation of Exceptional Dispatches during such period to the extent such data are available. On the thirtieth day of the month following the month in~~

~~which the initial report is filed, the CAISO shall file with the Commission and post to the CAISO Website a revised and updated report for the same period.~~