

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

California Independent System)	Docket No. ER24-____-000
Operator Corporation)	

**PETITION FOR LIMITED TARIFF WAIVER OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO) respectfully requests a limited waiver of sections 9.3.1.3.1, 9.3.1.3.2, and 40.9.3.4 to accommodate the construction and commissioning of black start capability at the Sentinel Energy Center in Riverside County, California.¹ Sections 9.3.1.3.1 and 9.3.1.3.2 of the CAISO tariff provide in relevant part that the CAISO will deny maintenance outage requests for resource adequacy resources if the scheduling coordinator does not provide substitute capacity. Section 40.9.3.4 applies the resource adequacy availability incentive mechanism rules for outages that the CAISO permits but that require resource adequacy substitute capacity. The CAISO requests the Commission make this limited waiver effective on August 21, 2024, for the resource adequacy months of October and November 2024.

This limited tariff waiver will facilitate the deployment of black start capability in southern California to meet a critical reliability need. For Sentinel to begin black start construction and commissioning activities, it must take various resource adequacy units at its generating facility out of service for a portion of the months of October and November 2024. Granting the requested waiver allows the CAISO to approve the

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

outages without imposing additional costs on Sentinel for substitute resource adequacy capacity. To the extent the needed outages fall outside the ambit of sections 9.3.1.3.1 or 9.3.1.3.2, the requested waiver also would ensure Sentinel avoids resource adequacy availability incentive mechanism non-availability charges.

Based on information and belief, Sentinel would not proceed with construction and commissioning activities if it faced financial exposure under these rules, thereby delaying the deployment of black start capability and ultimately making it more costly. Granting the waiver is also consistent with provisions of the black start agreement between Sentinel Energy Center LLC (Sentinel), the CAISO, and Southern California Edison (SCE), which agreement the Commission has accepted, subject to refund.² The terms of that agreement are not yet in effect because they do not take effect until the agreement is no longer subject to refund.³ Good cause exists to grant this limited tariff waiver for the reasons explained below.

I. Background

Sentinel, the CAISO, and SCE have entered into an agreement to facilitate to deployment of black start capability at the Sentinel Energy Center, an 850 MW simple-cycle, natural gas-fired generating facility located in Southern California. This capability will enhance the system restoration plans of the CAISO and SCE and meet a critical electric reliability need.⁴ The Commission accepted that agreement, subject to refund,

² *Sentinel Energy Center LLC* 186 FERC ¶ 61,014 (2024).

³ The parties are exploring re-executing the black start agreement to propose, among other things, an effective date on a date the Commission allows the agreement to take effect, subject to refund.

⁴ The CAISO and SCE serve as transmission operators and both maintain system restoration plans.

and directed hearing and settlement procedures. Settlement procedures regarding the agreement are ongoing.⁵

Notwithstanding the fact that the rate for providing black start capability remains unresolved, the CAISO is informed and believes that Sentinel plans to construct and commission black start capability at its generating facility in October and November 2024, so that the CAISO and SCE can incorporate that capability into their system restoration plans. Under the terms of the agreement between the CAISO, SCE and Sentinel – which remains subject to refund – the CAISO would not require Sentinel to provide resource adequacy substitute capacity or apply its resource adequacy availability incentive mechanism to the installation, construction, commissioning, and testing of black start equipment prior to the commencement date of Sentinel providing black start service.⁶

The effort to construct and commission black start capability will require taking units out of service at the Sentinel Energy Center during certain days in October and November because Sentinel plans to use energy storage facilities to energize the Sentinel Energy Center during a black start event. The construction of the black start capability requires electrically connecting the new energy storage facilities to the Sentinel Energy Center units.

Sentinel has shown its capacity at the Sentinel Energy Center as resource adequacy for the month of October 2024. The CAISO understands Sentinel will show

⁵ See Order Scheduling Fifth Settlement Conference dated July 31, 2024 in Commission docket ER24-366.

⁶ See Section 3.2(a) of Black Start Agreement between Sentinel, the CAISO and SCE, included as Attachment A to Sentinel's November 8, 2023 tariff filing in Commission docket ER24-366.

its capacity at the Sentinel Energy Center as resource adequacy capacity for November as well. During the time Sentinel's units are not on outage in those months, Sentinel's units will provide resource adequacy capacity and remain subject to applicable must-offer requirements.

The CAISO administers the state of California resource adequacy program under various transmission tariff rules.⁷ Among other rules, the CAISO approves or denies maintenance outages of resource adequacy capacity resources. Sections 9.3.1.3.1 and 9.3.1.3.2 of the CAISO tariff compel the CAISO to deny maintenance outage requests for resource adequacy resources if the resource scheduling coordinator does not provide substitute resource adequacy capacity.⁸ Section 40.9.3.4 applies the resource adequacy availability incentive mechanism rules for permitted outages that require resource adequacy substitute capacity. Because of sections 9.3.1.3.1 and 9.3.1.3.2, section 40.9.3.4 generally applies only to forced outages on resource adequacy resources.

If applied, these rules would prevent the CAISO from approving an outage at the Sentinel Energy Center unless Sentinel provides substitute resource adequacy capacity and would apply resource adequacy availability incentive mechanism to that substitute capacity. The CAISO is informed and believes that Sentinel would not provide resource adequacy substitute capacity in order to construct and commission black start capability at the Sentinel Energy Center without the ability to recover the costs of that substitute

⁷ See generally CAISO tariff section 40 – Resource Adequacy Demonstration for all [Scheduling Coordinators] SCs in the CAISO BAA.

⁸ Section 9.3.1.3.1 applies to outages requested before the supply plan revision deadline at 30 days in advance of the month, whereas section 9.3.1.3.2 applies to outages requested after that deadline. The CAISO seeks waiver of both sections because it cannot be sure when Sentinel will submit all of the outages in question to the CAISO's outage management system.

resource adequacy capacity as part of its black start agreement. As referenced above, the CAISO, SCE, and Sentinel negotiated a different approach to avoid imposing these costs on CAISO and SCE transmission customers. Finally, if the CAISO does not approve the maintenance outages Sentinel has requested, the construction and commissioning of black start capability will face additional delays and likely increase the total cost to CAISO and SCE transmission customers for installing black start capability at the generating facility.

By granting a limited waiver of these tariff provisions, the CAISO will have authority to approve Sentinel's maintenance outages without Sentinel providing resource adequacy substitute capacity. The waiver will also provide Sentinel assurance that, to the extent any needed outages fall outside of sections 9.3.1.3.1 and 9.3.1.3.2 (*i.e.*, they are submitted in the forced outage timeframe), it will not face resource adequacy availability incentive mechanism non-availability charges. Consistent with the terms of the agreement negotiated between Sentinel, the CAISO and SCE, Sentinel should not face such costs in connection with construction and commissioning of black start capability. The CAISO requests the Commission make this limited waiver effective on August 21, 2024 for the resource adequacy months of October and November 2024.

II. Petition for Limited Waiver

Good cause exists for the Commission to grant a limited waiver of tariff sections 9.3.1.3.1, 9.3.1.3.2, and 40.9.3.4 33.2.2 to facilitate the construction and commissioning of black start capability at the Sentinel Energy Center. The Commission previously has granted requests for tariff waivers where: (1) the applicant acted in good faith; (2) the waiver was of limited scope; (3) the waiver addressed a concrete problem; and (4) the

waiver did not have undesirable consequences, such as harming third parties.⁹ This waiver petition meets all four conditions.

The CAISO has acted in good faith because it has filed this petition for limited tariff waiver in advance of the deadline to approve or deny Sentinel's outage request. Sentinel submitted its outage requests to construct and commission black start capability at the Sentinel Energy Center in July 2024. Sentinel's black start agreement remains subject to refund its terms and provisions relating to construction and commissioning are not in effect. In mid-August, Sentinel showed its units at the Sentinel Energy Center as resource adequacy for the month of October creating the need for this petition so that the CAISO can approve the outage without substitute capacity.

The waiver is of limited scope in that it only concerns the ability of the CAISO to approve outages without the need for Sentinel to provide substitute resource adequacy capacity and also insulate Sentinel from the potential for resource adequacy availability incentive mechanism non-availability charges. The waiver will extend for only two months – October and November 2024 – and will require Sentinel to provide resource adequacy capacity on any days that units are not on outage during those months. In addition, the CAISO only seeks waiver of the operable language in tariff section 9.3.1.3.1 that would prevent the CAISO from approving Sentinel's requested maintenance outage. The CAISO is not requesting waiver of language in tariff section 9.3.1.3.1 that requires the scheduling coordinator for Sentinel Energy Center to notify

⁹ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 178 FERC ¶ 61,185, at PP 5-8 (2020); *Cal. Indep. Sys. Operator Corp.*, 155 FERC ¶ 61,039, at P 31 (2016); *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 Eng., Inc.*, 134 FERC ¶ 61,182, at P 8 (2011).

the CAISO whether and to what extent the outage affects resource adequacy capacity and any contracted non-resource adequacy capacity.¹⁰ Those provisions will remain in effect and will increase the CAISO's operational visibility during the months of October and November.

The waiver will remedy the concrete problem that Sentinel needs to take resource adequacy capacity at the Sentinel Energy Center out of service during a portion of October and November 2024 to construct and commission black start capability at the generating facility. Normally, such an outage would require substitute resource adequacy capacity. However, requiring Sentinel to provide substitute resource adequacy capacity would come at a cost to CAISO and SCE transmission customers. The CAISO is informed and believes that Sentinel would not provide any substitute resource adequacy capacity without assurances of cost recovery from CAISO and SCE transmission customers because the cost of that capacity would be incurred solely due to Sentinel's efforts toward constructing and commissioning black start capability for the benefit of these customers.

Finally, the waiver does not have undesirable consequences because the petition for limited tariff waiver should create no harm to a third party or otherwise cause problems. To the contrary, granting the waiver will allow Sentinel to take steps to enhance the CAISO's and SCE's system restoration plans. This addresses a critical reliability need and supports reliability for CAISO's load serving entities. Based on its review of Sentinel's outage request as well as forecasts for supply and demand, the

¹⁰ This reporting obligation extends to both capacity sold to CAISO Load Serving Entities that is not resource adequacy capacity for the months of October and November and capacity sold to external Load Serving Entities for export from the CAISO balancing authority area.

CAISO has assessed the outage request does not pose a reliability concern in either October or November 2024.

III. Communications

Under Rule 203(b)(3),¹¹ correspondence and other communications regarding this filing should be directed to:

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IV. Service

The CAISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. The CAISO has also served copies of this filing on the parties of record in Commission docket ER24-366. In addition, the CAISO has posted a copy of the filing on the CAISO website.

¹¹ 18 C.F.R. § 385.203(b)(3).

V. Conclusion

For the reasons explained above, the Commission should find that good cause exists to grant this request for limited waiver, effective August 21, 2024, to facilitate the deployment of back start capability on the CAISO's system.

Respectfully submitted,

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Dated: August 20, 2024