

192 FERC ¶ 61,178  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: David Rosner, Chairman;  
Lindsay S. See and Judy W. Chang.

California Independent System Operator Corporation      Docket No. ER25-2789-000

ORDER ACCEPTING IMPLEMENTATION AGREEMENT  
AND GRANTING WAIVER REQUEST

(Issued August 25, 2025)

1. On July 3, 2025, pursuant to section 205 of the Federal Power Act,<sup>1</sup> the California Independent System Operator Corporation (CAISO) submitted for filing an agreement between CAISO and the Imperial Irrigation District (IID) setting forth the terms under which CAISO will extend its existing real-time energy market systems to provide imbalance energy service to IID, pursuant to the Western Energy Imbalance Market (WEIM) provisions of CAISO's Open Access Transmission Tariff (Tariff) (WEIM Implementation Agreement).<sup>2</sup> CAISO also requests waiver of section 29.2(b)(2) of the Tariff,<sup>3</sup> which requires the implementation date for IID's participation in WEIM to be not more than 24 months after the WEIM Implementation Agreement effective date, to allow an implementation date of October 1, 2028. As discussed below, we accept the WEIM Implementation Agreement, effective September 2, 2025, as requested, and grant CAISO's waiver request.

**I. WEIM Implementation Agreement**

2. CAISO explains that the proposed WEIM Implementation Agreement details the contractual terms, including the scope of work and the agreed-upon fee, under which CAISO will take the steps necessary to incorporate IID into WEIM<sup>4</sup> consistent with the

---

<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> See Appendix for eTariff records.

<sup>3</sup> CAISO, CAISO eTariff, § 29.2 (EIM Access To The Real-Time Market) (5.0.0), § 29.2(b)(2) (FERC Approval).

<sup>4</sup> WEIM provides other balancing authority areas (BAA) the opportunity to participate in the real-time market for imbalance energy that CAISO operates in its own BAA. Transmittal at 2.

identified key milestones and associated payment provisions. CAISO states that the WEIM Implementation Agreement adopts substantially similar provisions to WEIM implementation agreements that have been accepted by the Commission, including provisions specific to publicly owned utilities that were accepted by the Commission in previous orders.<sup>5</sup> CAISO notes that CAISO and IID are also separately entering into a *pro forma* EDAM Entity Implementation Agreement under which CAISO will incorporate IID into CAISO's Extended Day Ahead Market (EDAM). According to CAISO, the parties intend to concurrently implement WEIM and EDAM.<sup>6</sup>

3. CAISO further explains that under the WEIM Implementation Agreement, CAISO and IID must complete a variety of project tasks necessary to meet IID's planned October 1, 2028 implementation date. CAISO states that the parties chose this date to provide sufficient time for completion of all expected activities for both WEIM and EDAM implementation based on the size, complexity, and compatibility of IID. CAISO adds that the specific tasks may be modified by mutual agreement of the parties.<sup>7</sup>

4. According to CAISO, the WEIM Implementation Agreement specifies that IID will pay CAISO a fixed implementation fee of \$120,000, subject to completion of six specific milestones for recovery of the portion of the costs attributable to CAISO's effort to configure its real-time market systems and incorporate IID into WEIM. CAISO states that, because CAISO will be implementing IID into its WEIM and EDAM concurrently, each milestone is listed as a combined WEIM/EDAM milestone in the WEIM Implementation Agreement for the sake of efficiency. CAISO explains that if the charges for any specific milestone exceed the limits set forth in section 4(c) of the WEIM Implementation Agreement, any excess amounts will be reimbursed to CAISO from IID's implementation fee paid to CAISO.<sup>8</sup>

5. CAISO states that, to determine IID's implementation fee, it used the methodology that it used to determine the implementation fee for all previously accepted implementation fees. According to CAISO, the implementation fee represents the incremental costs necessary to incorporate IID into WEIM and is based on CAISO's

---

<sup>5</sup> *Id.* at 2-3 n.9 (citing *Cal. Indep. Sys. Operator Corp.*, Docket No. ER24-1628-000 (May 17, 2024) (delegated order)).

<sup>6</sup> *Id.* at 1.

<sup>7</sup> *Id.* at 3 (citing WEIM Implementation Agreement, § 3).

<sup>8</sup> *Id.*

estimate of the costs it will incur to configure its real-time energy market as WEIM and be available to all BAAs in the Western Electricity Coordinating Council.<sup>9</sup>

6. CAISO argues that the proposed \$120,000 implementation fee is just and reasonable because it allocates a portion of the overall CAISO WEIM costs to IID in an amount proportionate to IID's share of the benefits that will ensue from WEIM, as measured by usage. CAISO adds that it also compared the resulting allocation to an estimate of the costs CAISO expects it will incur to configure its real-time energy market to function as WEIM, which serves both CAISO and IID. According to CAISO, this comparison confirmed that the fee reasonably represents those costs even though only project management costs are triggered by IID's implementation, while other costs may be incurred by CAISO to incorporate other entrants.<sup>10</sup>

7. CAISO states that the WEIM Implementation Agreement also provides for adjustment of the fixed implementation fee by mutual agreement of the parties in the event that CAISO's actual or expected costs exceed the estimates that form the basis of the implementation fee. CAISO contends that this provision reflects a reasonable balance of the parties' interest in preserving a level of cost certainty for IID, while appropriately allocating the costs of implementing WEIM.<sup>11</sup>

8. CAISO notes that the WEIM Implementation Agreement allows either party to terminate the agreement for any or no reason, provided it has first entered into good faith discussions for 30 days in an effort to resolve any differences. CAISO explains that the WEIM Implementation Agreement also includes general provisions defining the parties' commitments, such as confidentiality (section 5), limitations of liability (section 6), representations and warranties (section 7), notices, amendments, etc. (section 8), venue (section 9), communication (section 10), and dispute resolution (section 11).<sup>12</sup>

9. CAISO states that, following the Commission's acceptance of the WEIM Implementation Agreement, IID's WEIM implementation will proceed concurrently with its EDAM implementation so that IID will be incorporated into WEIM and EDAM on the same date. CAISO contends that concurrent implementation will result in efficiencies because the project tasks are similar and duplication can be minimized. CAISO explains that because the EDAM implementation agreement provides for the recovery of the CAISO costs based on the cost incurred to onboard IID, if there is a reduction in effort

---

<sup>9</sup> *Id.*; *see id.* at 4 (chart summarizing the components of the cost estimate).

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 4-5.

<sup>12</sup> *Id.* at 5.

associated with EDAM implementation because some of the tasks are completed along with WEIM implementation tasks, these tasks would be accounted for using a combination of the fixed WEIM implementation fee and the variable EDAM implementation fee.<sup>13</sup>

10. CAISO states that IID's implementation will be subject to the Tariff readiness requirements for WEIM participation and the filing of a certificate of readiness with the Commission. CAISO states that it also expects that IID will modify its own Open Access Transmission Tariff in advance of implementation, to the extent necessary to account for its participation in WEIM.<sup>14</sup>

11. CAISO requests that the WEIM Implementation Agreement be accepted for filing, effective September 2, 2025, to allow for IID's WEIM implementation by October 1, 2028.<sup>15</sup>

## **II. Waiver Request**

12. CAISO requests waiver of section 29.2(b)(2) of the Tariff to allow the WEIM implementation date for IID to be more than 24 months after the September 2, 2025 effective date of the WEIM Implementation Agreement (i.e., October 1, 2028). CAISO explains that section 29.2(b)(2) of the Tariff provides, in relevant part, that a WEIM implementation date must be not less than six months and not more than 24 months after the effective date of the WEIM Implementation Agreement. CAISO argues, therefore, that waiver is necessary to support IID's concurrent participation in WEIM and EDAM beginning in the fall of 2028, i.e., more than 24 months after the requested effective date of the WEIM Implementation Agreement. According to CAISO, the limited waiver will provide additional time to allow CAISO and IID to efficiently synchronize and coordinate their onboarding and readiness activities with other implementation projects, and to schedule and manage the associated vendor engagement activities.<sup>16</sup> CAISO argues that its waiver request satisfies the Commission's criteria for granting waiver.

13. First, CAISO asserts that it has acted in good faith because it filed the waiver request prior to the requested effective date of the WEIM Implementation Agreement. Second, CAISO argues that the requested waiver is of limited scope in that it only

---

<sup>13</sup> *Id.* at 5-6.

<sup>14</sup> *Id.* at 6 (citing CAISO, CAISO eTariff, § 29.2 (EIM Access To The Real-Time Market) (5.0.0), § 29.2(b)(2) (FERC Approval).

<sup>15</sup> *Id.* at 1, 6.

<sup>16</sup> *Id.* at 6-7.

concerns the applicability to IID of the 24-month limit set forth in section 29.2(b)(2) of the Tariff. Third, CAISO states that the waiver will remedy the concrete problem that more than 24 months from the requested effective date of the WEIM Implementation Agreement is required for CAISO and IID to undertake the implementation steps needed to allow IID to proceed towards concurrent participation in WEIM and EDAM. Fourth, CAISO argues, the waiver will not have undesirable consequences because the waiver will not cause any harm to a third party or otherwise cause any problems.<sup>17</sup>

### **III. Notice and Responsive Pleadings**

14. Notice of CAISO's filing was published in the *Federal Register*, 90 Fed. Reg. 30636 (July 10, 2025), with interventions and protests due on or before July 24, 2025. IID filed a timely motion to intervene and comments. IID states that it supports the WEIM Implementation Agreement because it facilitates the necessary steps for CAISO and IID to proceed implementing IID's participation in WEIM. According to IID, its participation in WEIM will facilitate further benefits to the market and IID ratepayers. IID also asserts that concurrent WEIM and EDAM implementation will provide process and cost efficiencies.<sup>18</sup> IID states that it supports the waiver request and requests that the Commission accept the WEIM Implementation Agreement, effective September 2, 2025, without condition or modification, so that IID and CAISO may proceed with implementation by October 1, 2028.<sup>19</sup>

### **IV. Discussion**

#### **A. Procedural Matters**

15. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), IID's timely, unopposed motion to intervene serves to make it a party to this proceeding.

#### **B. Substantive Matters**

16. We accept the WEIM Implementation Agreement, effective September 2, 2025, as requested. We find the terms of the WEIM Implementation Agreement to be just and reasonable and not unduly discriminatory or preferential. The Implementation Agreement sets forth the terms under which CAISO will modify and extend its existing real-time energy market systems to provide energy imbalance service to IID and its

---

<sup>17</sup> *Id.* at 7.

<sup>18</sup> IID Comments at 4-5.

<sup>19</sup> *Id.* at 5.

customers. The Implementation Agreement also provides for IID to pay CAISO a fixed implementation fee of \$120,000, in accordance with the cost methodology CAISO has used to develop all past WEIM implementation fees.<sup>20</sup>

We also grant CAISO's request for waiver of section 29.2(b)(2) of the Tariff to allow a WEIM implementation date for IID of October 1, 2028. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.<sup>21</sup> We find that the circumstances of CAISO's waiver request satisfy these criteria. First, we find that CAISO has acted in good faith because CAISO promptly filed a waiver request with the Commission shortly after CAISO and IID executed the WEIM Implementation Agreement and sufficiently in advance of the proposed effective date. Second, we find that the waiver request is limited in scope because it represents a one-time waiver of the 24-month limit set forth in section 29.2(b)(2) of the Tariff, as it applies to IID. Third, we find that granting waiver addresses a concrete problem because, absent waiver, the parties could not use an implementation date of October 1, 2028. CAISO explains that CAISO and IID will require more than 24 months from the requested effective date of the WEIM Implementation Agreement to undertake the implementation steps needed to allow for IID's concurrent participation in WEIM and EDAM. We find that waiver will allow for the extension beyond the 24-month period. Finally, we find that granting the waiver request will not have undesirable consequences, such as harming third parties. Instead, waiver will allow CAISO and IID sufficient time to complete their work on concurrent integration of IID into WEIM and EDAM.

The Commission orders:

(A) CAISO's WEIM Implementation Agreement is hereby accepted for filing, effective September 2, 2025, as requested, as discussed in the body of this order.

---

<sup>20</sup> Transmittal at 3; *see Cal. Indep. Sys. Operator Corp.*, 147 FERC ¶ 61,200, at P 27 (2014) (explaining CAISO's calculation of the implementation fee).

<sup>21</sup> *See, e.g., Citizens Sunrise Transmission LLC*, 171 FERC ¶ 61,106, at P 10 (2020); *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016).

(B) CAISO's waiver request is hereby granted, as discussed in the body of this order.

By the Commission.

( S E A L )

Carlos D. Clay,  
Deputy Secretary.

**Appendix**

eTariff Records

- California Independent System Operator Corporation, CAISO Rate Schedules, [Rate Schedule No. 8843, WEIM IA Between CAISO and Imperial Irrigation District \(0.0.0\)](#)