UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

TransAlta Centralia Generation LLC	)))	Docket No. ER26-2422-000

ANSWER IN OPPOSITION
AND MOTION FOR LEAVE TO ANSWER AND ANSWER
OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION

Pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure,[1] the California Independent System Operator Corporation (CAISO) submits this answer in opposition to the Motion for Leave to Answer and the accompanying July 21, 2026 Answer of TransAlta Centralia Generation LLC (Centralia) in the above-referenced proceeding.[2] In its Answer, Centralia persists in seeking recovery from the CAISO for a portion of its alleged costs for a service it did not provide and for which there was no commensurate benefit to the CAISO or its ratepayers.[3] The Commission should reject Centralia's efforts to shift onto the CAISO alleged costs associated with emergency orders issued by the Department of Energy (DOE) to unit 2 of the Centralia Generation Station.[4] The CAISO moves for leave to answer Centralia's Answer and respectfully requests the Commission grant its motion

[1] 18 C.F.R. §§ 385.212, 385.213 (2026).

[2] *See* Motion for Leave to Answer and Answer of TransAlta Centralia Generation LLC, Docket No. ER26-2422 (July 21, 2026) ("Centralia Answer").

[3] *See* Protest of the California Independent System Operator Corporation in response to the application of TransAlta Centralia Generation LLC seeking acceptance of a tariff and approval to allocate specified costs, Docket No. ER26-2422 (May 21, 2026) ("CAISO Protest").

[4] DOE Order No. 202-25-11 (issued December 16, 2025) ("Dec 16 DOE Order"); DOE Order No. 202-26-18 (issued March 16, 2026) ("March 16 DOE Order"); DOE Order No. 202-26-28 (issued June 12, 2026) ("June 12 DOE Order").

and accept its answer. For the reasons explained, the Commission should reject Centralia's deficient application.

I. Centralia's Motion for Leave to Answer

Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits an answer to a protest unless otherwise ordered by the decisional authority.[5] The Commission, however, does accept answers that provide information that aids decision-making.[6] Centralia's Answer does not clarify the record or the issues in this proceeding. Instead, Centralia's July 21 Answer simply restates arguments made in its initial application. Centralia has not offered any material evidence to rebut arguments before the Commission about whether it is legally permissible for Centralia to allocate its alleged costs to the CAISO. Instead, Centralia attempts to argue, as it did in its initial application, that the CAISO could direct Centralia to operate and therefore should bear responsibility for a portion of the costs of making unit 2 of the Centralia Generation Station available to operate.[7] However, as the CAISO has explained in its protest, this was not possible.[8] When presented with such unauthorized pleadings, the Commission may reject them.[9] If the Commission accepts Centralia's July 21 Answer, then the

[5] 18 C.F.R. § 385.213(a)(2) (2025).

[6] *See, e.g., Southwest Power Pool, Inc.*, 141 FERC ¶ 61,048, P 15 (2012); *see also ISO New England Inc.*, 132 FERC ¶ 61,187, at P 23 (2010) ("the Commission's rules and procedures generally prohibit answers to protests ... and it is within Commission discretion to decide whether to accept answers to protests or answers to answers").

[7] *See* July 21 Answer at 10.

[8] *See* CAISO Protest at 4-5.

[9] *See e.g., New Eng. Conf. of Pub. Utilities Comm'rs, Inc.*,135 FERC ¶ 61,140 at P 22 (2011); *330 Fund i, L.P.*, 126 FERC ¶ 61,151 at P 12 (2009).

CAISO respectfully requests the Commission accept the CAISO's answer, which corrects and clarifies the record and is intended to aid in the decision-making process.[10]

II. Motion for Leave to Answer and Answer of the CAISO

The Commission has discretion to grant motions for leave to submit answers and regularly does so when the pleadings clarify issues, assist the Commission's decision-making process, or otherwise ensure a complete and accurate record.[11] Such is the case here. Good cause exists for the Commission to accept this answer because the CAISO is providing necessary clarifying information in response to Centralia's assertions that it incurred "compliance costs" in making unit 2 of the Centralia Generation Station available to the CAISO.[12] The CAISO's answer will assist the Commission in its decision-making by clarifying the record with respect to whether (1) cost causation principles support allocating costs to the CAISO, (2) the rule against retroactive ratemaking prevents allocating costs to the CAISO and (3) Centralia complied with the DOE's emergency orders. The CAISO respectfully requests the Commission accept this answer and consider the points raised herein.

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10 The CAISO makes this motion pursuant to rule 212 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.212 (2026). Good cause exists to support the Commission in accepting the CAISO's answer. *See, e.g., Grid Growth Ohio, LLC*, 196 FERC ¶ 61,008, P 24 (2026) ("We accept the answers filed in this proceeding because they have provided information that assisted us in our decision-making process.").

11 18 C.F.R. § 385.213(a)(2); *see Kammer Juniata Transmission, LLC*, 196 FERC ¶ 61,015 at P 19 (2026) (accepting answers because they provided information that assisted the Commission's decision-making process).

12 *See, e.g.,* Centralia Answer at 7.

A. Centralia's Answer Fails to Identify a Sustainable Reason to Allocate Costs to the CAISO

In its Answer, Centralia continues to argue parties named in DOE's emergency orders should pay Centralia's costs.[13] As the record reflects, DOE itself corrected the typographical error that erroneously named the CAISO as the applicable reliability coordinator for unit 2 of the Centralia Generation Station.[14] Centralia, however, continues to perpetuate the initial error.[15] DOE's correction is comparable to the Commission issuing an errata or otherwise correcting a clear error in a subsequent rehearing order. In such circumstances, the Commission could not enforce a clearly erroneous error. In this instance, Centralia is seeking to enforce an error in a DOE order that identified the CAISO as the reliability coordinator for the balancing authority area in which the Centralia Generation Station is located, and thus potentially on the hook for a portion of Centralia's alleged costs of operating. However, DOE subsequently corrected the error and recognized the CAISO was not the reliability coordinator for unit 2 of the Centralia Generation Station or its balancing authority area. Thus, the claimed basis for allocating any of Centralia's costs to the CAISO vanished.

In its Answer, Centralia continues to act as if DOE never corrected its order, posits that CAISO's relief lies elsewhere, and the Commission is obligated to approve Centralia's proposed tariff and the resulting cost allocation to the CAISO.[16] An order containing a clear error that Centralia alleges is a basis for allocating costs to the

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13 *Id.* at 3-5.

14 *Compare* Dec 16 DOE Order at Ordering Paragraph A *with* March 13 DOE Order at Ordering Paragraph A.

15 *See, e.g.,* Centralia Tariff Appendix A (failing to reflect the DOE's March 13 Order text and relying on outdated text from DOE's December 16 Order).

16 Centralia Answer at 6.

CAISO, but which subsequently was corrected to eliminate that basis, cannot lawfully serve as the justification for allocating any of Centralia's costs to the CAISO.

In its Answer, Centralia argues it incurred costs in making unit 2 of the Centralia Generation Station available and imposing costs on the parties' named in the DOE's initial order "follows cost causation."[17] This is not the case. Centralia fails to explain how the CAISO being named, erroneously or otherwise, is sufficient to support FERC's mandate to ensure "all approved rates reflect to some degree the costs actually caused by the customer who must pay them."[18] Centralia – not the DOE – drafted a tariff and proposed it to this Commission.[19] The DOE's March 13, 2026 order stated as follows:

> From December 16, 2025, TransAlta shall take all measures necessary to ensure that Centralia Unit 2 is available to operate at the direction of either Gridforce Energy Management, LLC (in its role as Balancing Authority) or Southwest Power Pool Western RC (in its role as the Reliability Coordinator).[20]

Approximately 45 days after the DOE issued its "Amended Emergency Order"[21] with the above-quoted text, Centralia submitted its application to this Commission that fails to reflect the text of the DOE's "Amended Emergency Order." Centralia attempts to enshrine DOE's legal and factual error identifying the CAISO as the reliability

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17 *Id.* at 4.

18 *See, e.g., Ill. Com. Comm'n v. FERC*, 576 F.3d 470, 477 (7th Cir. 2009). The Commission may approve a given cost allocation framework if it "has an articulable and plausible reason to believe that the benefits are at least roughly commensurate with" the assigned costs. *See, e.g., North Carolina Electric Membership Corp.*, 196 FERC ¶ 61,019, P33 (2026) (explaining the cost causation principle and citing the relevant legal authorities).

19 *See* TransAlta Centralia Generation LLC tariff filing, Docket No. ER26-2422 at Appendix A (Apr. 30, 2026) ("Centralia Tariff Appendix A").

20 *See* March 13 DOE order at Ordering Paragraph A.

21 *See* June 10 DOE order at P 2 ("On March 13, 2026, DOE issued an Amended Emergency Order," published as Order No. 202-25-11B).

coordinator for Centralia in its earlier order into a FERC-approved tariff after DOE itself has already corrected the error.[22]

Moreover, although Centralia knew the CAISO was not its reliability coordinator, it sat on its hands and now attempts to shift the blame to the CAISO.[23] For avoidance of doubt, from December 16, 2025 onward, the CAISO *was not* a "Customer" of Centralia, and did not engage in a "Transaction" under Centralia's proposed tariff, and any assertion otherwise is in error. The CAISO had no contractual relationship of any kind with Centralia. As such, Centralia's proposed tariff definitions are clear error and inconsistent with the text of the DOE's March 13 order.[24] Even assuming, for sake of argument, the CAISO could be defined as a "Customer" under Centralia's proposed tariff, which it cannot, such definition alone does not and cannot support allocating Centralia's alleged costs to the CAISO ratepayers.[25]

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22 *Compare* Dec 16 DOE Order at Ordering Paragraph A ("From December 16, 2025, TransAlta shall take all measures necessary to ensure that Centralia Unit 2 is available to operate at the direction of either Bonneville Power Administration (BPA) (in its role as Balancing Authority) or the California Independent System Operator Corporation Reliability Coordinator West (in its role as the Reliability Coordinator). Following the conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices.") *with* March 13 DOE Order at Ordering Paragraph A ("From December 16, 2025, TransAlta shall take all measures necessary to ensure that Centralia Unit 2 is available to operate at the direction of either Gridforce Energy Management, LLC (in its role as Balancing Authority) or Southwest Power Pool Western RC19 (in its role as the Reliability Coordinator). Following the conclusion of this Order, sufficient time for orderly ramp down is permitted, consistent with industry practices.").

23 *See* Centralia Answer at 6-7.

24 *Compare* March 13 DOE Order at Ordering Paragraph A *with* Centralia Tariff Appendix A at Section I.3.(a) (stating that a Customer means "for the period December 16, 2025 through March 13, 2026 inclusive, either of the Bonneville Power Authority or California Independent System Operator Corporation Reliability Coordinator West"). The DOE's Amended Emergency Order of March 13 is clear on its face: From December 16, 2025 onward the customer *was not* the CAISO, and the CAISO did not engage in any "Transactions."

25 If the Commission were to approve Centralia's proposed cost recovery, the Commission would need to take additional action with respect to the CAISO because the CAISO is limited by its tariff in its ability to assign such costs to customers of the reliability coordinator and participants in its markets. *See, e.g., Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,045 (2015); *Cal. Indep. Sys. Operator Corp.*, 165 FERC ¶ 61,116 PP45-51 (2018).

In its protest, the CAISO explained how Centralia did not articulate any benefit to the CAISO or CAISO ratepayers to support allocating costs it may have incurred.[26] In its Answer, Centralia did not supplement the record to explain any benefit to the CAISO or CAISO ratepayers. Centralia likewise did not explain how the Fixed Charge it proposes to allocate to the CAISO is just and reasonable,[27] nor how the non-rate terms and conditions of the Western Systems Power Pool Agreement harmonize with the existing provisions of the CAISO tariff.[28] As CAISO explained in its Protest, unit 2 of the Centralia Generation Station is not located in the CAISO's balancing authority area or in a balancing authority adjacent to the CAISO; and it is not a participating generator in the CAISO markets.[29] It is not within a balancing authority area participating in markets administered by the CAISO, and is not even in a balancing authority adjacent to the CAISO. During all relevant times, Centralia did not take steps necessary to register to participate in the markets administered by the CAISO. The CAISO had zero ability or authority, through its markets or under rules of the North American Electric Reliability Corporation (NERC), or otherwise, to direct the operation of unit 2 of the Centralia Generation Station. Not only is the CAISO not the reliability coordinator for the

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[26] *See* CAISO Protest at 5-9.

[27] *See* Centralia Tariff Appendix A at V.1.(a) (providing a Fixed Charge rate defined as "$9,600,095.55 for the period December 16, 2025 through March 13, 2026, inclusive, shall be payable forthwith by each applicable Customer.").

[28] *See* Centralia Tariff Appendix A at IV (providing that the "Western Systems Power Pool Agreement" governs all non-rate terms and conditions). The CAISO tariff is not congruent in all aspects and Centralia fails to address or resolve such inconsistencies. Furthermore, the CAISO is not a signatory to the Western Systems Power Pool Agreement. The list of signatories is maintained at the following link on page 192: https://www.wspp.org/pages/documents/10_31_25_current_effective_agreement.pdf.

[29] To participate in the markets administered by the CAISO, Centralia would have needed to execute required agreements under the CAISO tariff and secure representation by a scheduling coordinator. During all relevant times, to the best of the CAISO's knowledge, Centralia did not take steps to do so.

balancing authority area in which Centralia is located, it has no contractual relationship with the plant whatsoever. Given these facts, Centralia has failed to explain how the CAISO as RC West, or its ratepayers, hold any benefit, much less the "exclusive benefit" Centralia attempts to proclaim.[30] Moreover, there is no evidence demonstrating Centralia is capable of generating electricity, transmitting electricity, or delivering electricity, and Centralia's tariff appears to be drafted in a manner that seeks approval from this Commission to foreclose its obligation to ever do so.[31]

If unit 2 of the Centralia Generation Station cannot, and will not, produce electricity, then the recovery of any costs incurred by Centralia are not a matter for this Commission to determine because no jurisdictional sale of power can occur.[32] Gridforce's protest in this proceeding raised questions regarding whether the facilities are capable of producing electricity, and provided evidence that the facility was placed in a "Reserve Shutdown" status following the issuance of DOE's orders. Centralia's Answer does not confirm that Centralia can generate electricity, and when reviewed critically, the question not clearly answered by the record in this proceeding is whether unit 2 of the Centralia Generation Station is capable of producing electricity at all.[33] The record does not establish that Centralia provided, or is capable of providing, service subject to this Commission's rate-making jurisdiction. The Commission should reject Centralia's application and proposed tariff.

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30 *See, e.g.,* Centralia Answer at 4.

31 *See* Centralia Tariff Appendix A at Section VI, "Expansion of Facilities" (providing that "TACG will have no obligation under this Tariff or any Service Agreement executed hereunder to plan its system or modify its facilities in order to provide service hereunder.").

32 16 U.S.C. § 824a(c).

33 *See* May 21 Gridforce Protest at 17-18; *see also* May 21 Gridforce Protest Attach. A, Affidavit of Carolyn Ingersoll at PP 27-30.

B. Centralia Seeks an Order That Would Violate the Filed Rate Doctrine and Rule Against Retroactive Ratemaking

Centralia's application, as it relates to the CAISO and Bonneville Power Administration, reflects a textbook example of a proposal that, if adopted, would violate the filed rate doctrine and rule against retroactive ratemaking. Centralia's application seeks to apply rules retroactively by altering the past legal consequences arising from past actions.[34] Centralia seeks to apply both a rate and a cost allocation rule retroactively that would change the legal obligations of the CAISO and Bonneville Power Administration for a period of time prior to Centralia's filing and for costs Centralia asserts it incurred to make unit 2 of the Centralia Generation Station available.

In its Answer, Centralia argues the Commission's role in connection with an emergency order under section 202(c) of the Federal Power Act is to make a generator whole and suggests that traditional ratemaking laws do not apply.[35] Centralia cites no authority supporting this argument except to point to the framework of Federal Power Act Section 202(c) as backward looking, which it is not. Centralia posits the rule against retroactive ratemaking does not apply here.

Section 202(c) of the Federal Power Act does not say what Centralia alleges. Section 202(c) grants DOE authority to direct actions to address an electric emergency that is occurring or expected to occur. The statue authorizes DOE to prescribe such terms as it finds to be just and reasonable, including the compensation or

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34 *See* Centralia Tariff Appendix A at I.3 (defining a Customer to include the CAISO); *compare* March 13 DOE Order (not including the CAISO within the scope of customers).

35 *See* Centralia Answer at 12 ("FERC's role here is to ensure that [Centralia] is whole…cost recovery mechanisms for services provided pursuant to a section 202(c) order will always relate to a prior period.").

reimbursement which should be paid to or by any such party.[36] With respect to rates and charges under DOE's emergency orders, DOE's regulations state:

> The applicant and the generating or transmitting systems from which emergency service is requested are encouraged to utilize the rates and charges contained in approved existing rate schedules or to negotiate mutually satisfactory rates for the proposed transactions. In the event that the DOE determines that an emergency exists under section 202(c), and the "entities" are unable to agree on the rates to be charged, the DOE shall prescribe the conditions of service and refer the rate issues to the Federal Energy Regulatory Commission for determination by that agency in accordance with its standards and procedures.[37]

In this case, DOE followed these regulations and referred rate issues under the emergency orders issued to Centralia to the Commission. Consistent with DOE's regulations and applicable laws, the Commission should reach any rate determination in this proceeding in accordance with its standards and procedures. These standards and procedures include the filed rate doctrine and the rule against retroactive ratemaking, cost causation principles, and reasoned decision-making.

Indeed, DOE's regulations cited above appear to confirm this. The generator must use existing rates or negotiate a rate with the customer. This is not backward-looking. It requires a filed rate to provide the service. And the rule against retroactive ratemaking prevents Centralia from filing a rate to create a service today, but attempting to collect charges from those who "took" such service in the past. Centralia's application as it relates to the CAISO and Bonneville Power Administration cannot survive scrutiny

36 16 U.S.C. § 824a(c).

37 10 C.F.R. § 205.376.

under the law and the Commission's standards and procedures. The Commission should reject Centralia's deficient application.

C. Centralia Did Not Comply with DOE's Orders

In its Answer, Centralia asserts it is seeking recovery of "compliance costs" associated with the DOE's orders.[38] As the record demonstrates, however, the CAISO did not have supervisory control over unit 2 of the Centralia Generation Station or reliability oversight of its balancing authority area.[39] For all relevant times related to the DOE's orders, unit 2 of the Centralia Generation Station was a NERC-registered Generator Owner and Generator Operator and associated with Gridforce Energy Management as a NERC-registered balancing authority.[40] In its role as a balancing authority for the Centralia Generation Station, Gridforce Energy Management ceased taking reliability coordinator services from the CAISO in 2021.[41] The Commission accepted termination of Service Agreement No. 5255 (effective April 1, 2021), relieving the CAISO of its role as reliability coordinator.[42] There is no factual dispute on this point.

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[38] *See* Centralia Answer at 5 ("The Protestors all indicate that they individually should not pay for TransAlta's section 202(c) compliance costs. This collective agreement is wrong. That no one pays is not a valid resolution under section 202(c).").

[39] *See, e.g.,* March 13 DOE Order at 4; CAISO Protest at 5-11.

[40] *See, e.g.,* NERC Compliance Registry and NERC Compliance Registry Change Activity, *available at*: https://www.nerc.com/programs/registration/compliance-registry-files.

[41] *See, e.g.,* Transmittal Letter, Docket No. ER19-2537 (explaining that Gridforce Energy Management was seeking to establish the CAISO as reliability coordinator of record for the specific generating facilities identified in Schedule No. 1 of the agreement, including the Centralia Generation Station); *Letter Order*, Docket No. ER19-537 (accepting Service Agreement No. 5255). On behalf of other generators that are not unit 2 of the Centralia Generation Station, Gridforce continues to take reliability coordinator services under an active *pro forma* reliability coordinator service agreement that does not include the Centralia Generation Station in Schedule 1. Service Agreement No. 5255 addressed the service relevant here.

[42] Transmittal Letter, Docket No. ER21-1571 (March 31, 2021) (confirming the termination as originally intended), *Letter Order*, Docket No. ER21-1571 (May 7, 2021) (accepting the termination).

During all relevant times, unit 2 of the Centralia Generation Station was outside the CAISO's reliability coordinator footprint.[43]

During the times relevant to this proceeding, neither Centralia nor its balancing authority were reliability coordinator customers of the CAISO as RC West.[44] Centralia did not take steps, nor cause another entity to take steps on its behalf, to secure the CAISO's reliability coordinator services or otherwise document an arrangement where the CAISO would act as *de facto* reliability coordinator.[45] However, assuming for sake of argument that DOE's order conveyed some authority to the CAISO as a reliability coordinator to direct operation of unit 2 of the Centralia Generation Station, Centralia did not take the necessary measures to make unit 2 of the Centralia Generation Station available to operate at the direction of the CAISO, as the CAISO details below.[46] Because Centralia did not comply with the DOE's orders, it is unjust and unreasonable to assign "compliance costs" to the CAISO. For this reason and the reasons set forth in the CAISO's Protest, the record of this proceeding supports rejecting Centralia's deficient application.

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43 As a public-utility, the CAISO is bound by the terms of its tariff and the conditions of service approved by this Commission; while the filed-rate doctrine "may seem harsh in some circumstances, its strict application is necessary." *AT&T v. Central Office Telephone, Inc.*, 524 U.S. 214 (1998).

44 Gridforce Energy Management continues to take reliability coordinator services form the CAISO, but in that role, Gridforce Energy Management does not represent the Centralia Generation Station. *See, e.g.,* Service Agreement No. 5255 at Schedule 1 (providing the required information and listing entities represented by the balancing authority in its role as customer of the reliability coordinator).

45 The CAISO takes no position on whether Centralia, or its existing balancing area, was positioned to take such measures. The contract for services between Gridforce and Centralia is included in the record and sets the terms and conditions for the parties' obligations to each other. *See* May 21 Gridforce Protest Exh. A, Balancing Authority Services Agreement by and between Gridforce Energy Management, LLC and TransAlta Centralia Generation LLC.

46 DOE Order 202-25-11 at Ordering Paragraph A requires Centralia to "take all measures necessary to ensure that Centralia Unit 2 is available to operate at the direction of . . . the California Independent System Operator Corporation Reliability Coordinator West (in its role as the Reliability Coordinator)." Centralia did not comply with this directive.

1. DOE's Orders Required Centralia to Take Necessary Measures, Which It did Not

On August 31, 2018, the CAISO filed proposed tariff amendments seeking the Commission's authorization "to provide reliability coordinator service to transmission operators within its balancing authority area and to other balancing authorities in the western interconnection, including transmission operators within those balancing authority areas."[47] Specifically, the CAISO proposed the following tariff amendments, all of which were accepted by the Commission through final order: (1) a new section of the tariff, Section 19, containing the provisions specific to reliability coordinator service; (2) revisions to existing tariff provisions as necessary to account for the CAISO's provision of reliability coordinator services; (3) new definitions specific to reliability coordinator service in Appendix A; (4) a new pro forma agreement for use by customers that receive reliability coordinator service from the CAISO in Appendix B; and (5) a new rate schedule in Appendix F to implement the reliability coordinator service charge. The Commission accepted these tariff amendments [48]

Today, CAISO's RC West is the reliability coordinator of record for numerous balancing authorities and transmission operators in the western United States, some of whom operate as both balancing authorities and transmission operators. As a reliability coordinator, RC West may act to address the reliability of the RC West area, in both real-time and next-day operations, by issuing operating instructions to NERC-registered entities in the RC West area. Each NERC-registered entity in the RC West area has

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47 *See* Transmittal Letter, Docket No. ER18-2366 (Aug. 31, 2018) (presenting the CAISO's proposal to provide reliability coordinator services).

48 *See Cal. Indep. Sys. Operator Corp.*, 165 FERC 61,116 (2018).

committed to comply with these operating instructions, unless such actions cannot be physically implemented or will violate safety, equipment, regulatory, or statutory requirements.[49] During all relevant times, unit 2 of the Centralia Generation Station was not directly part of the RC West area nor was it listed as represented by a balancing authority that is part of the RC West area. Centralia did not otherwise document a commitment to comply with RC-issued operating instructions.[50]

a. Requirements to Receive Reliability Coordinator Services

The NERC-registered balancing authorities and transmission operators taking reliability coordinator services from the CAISO as RC West provide required data and information that enables RC West to perform its operational planning analyses, real-time monitoring, and real-time assessments.[51] This data includes, but is not limited to, external network data and information, notification of current protection system and special protection system status or degradation that impacts system reliability, notification of Bulk Electric System (BES) generating unit(s) during local forecasted cold weather, real-time facility data, schedule type data, facility outage information, and modeling data.[52] Entities that take reliability coordinator services from the CAISO are

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[49] *See, e.g.,* Reliability Coordinator Procedure 0100, *available at*: https://www.caiso.com/documents/rc0100.pdf. All entities document commitments to comply through contractual arrangements that are confirmed when customers are onboarded into the RC Area.

[50] Gridforce formerly listed the Centralia generating unit as a unit within the RC West area, but that arrangement was terminated. *See* Letter Order, Docket No. ER21-1571 (May 7, 2021). Gridforce, in its capacity as balancing authority for other generating units, takes reliability coordinator services from the CAISO. *See, e.g.*, RC West Coordination Plan, Appendix C (listing Gridforce as representing customers in the CAISO and PNM balancing areas), *available at*: https://www.caiso.com/documents/rc-west-coordination-plan-reliability-plan.pdf.

[51] *See, e.g.,* Reliability Coordinator Procedure 0120, *available at*: https://www.caiso.com/documents/rc0120.pdf.

[52] *Id.* at Section 2.2, *see also See, e.g.,* Reliability Coordinator Procedure 0120 Attachments RC0120A and RC0120B.

responsible for providing the required data, but they are also permitted to delegate such data provision to another NERC registered functional entity.[53]

RC West performs required planning and real-time analysis and receives notification of all events from the balancing authority and transmission operators within the RC West area.[54] During system emergencies, RC West will actively evaluate system conditions, coordinate mitigation activities with the affected balancing authorities and transmission operators, and determine if there is a need to issue an operating instruction.[55] If there is a major system emergency, RC West may declare a "BES Emergency," and issue operating instructions to stabilize the system as quickly as possible.

In addition to specific real-time grid needs, RC West's operating instructions are derived from information reviewed, validated, tested, and trained based on the operating plans of balancing authorities and transmission operators.[56] RC-reviewed operating plans encompass capacity and energy emergencies, and extreme weather and environmental emergencies. For example, each balancing authority that takes reliability coordinator services from the CAISO is required to "develop, maintain, and implement an RC West-reviewed operating plan to mitigate capacity and energy emergencies within its balancing authority area."[57] Each transmission operator that takes reliability

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[53] *See* Reliability Coordinator Procedure 0120 at Section 2.3.

[54] *See* Reliability Coordinator Procedure 0130, Section 3 (detailing when reliability coordinator customers provide notification for real-time transmission events).

[55] *See* Reliability Coordinator Procedure 0410, Section 3.4 (detailing operating instructions).

[56] *See* Reliability Coordinator Procedure 0410A (specifying the requirement and process for RC-review of EOP-011 plans).

[57] *See* Reliability Coordinator Procedure 0410, Section 3.1, (detailing actions during a capacity or energy emergency).

coordinator services from the CAISO must have operating plans to mitigate transmission emergencies including but not limited to IROL exceedance, unacceptable voltage levels with potential adverse reliability impacts, and loss of potential transmission elements due to fires, earthquakes, or storms.[58] All balancing authorities and transmission operators must maintain operating plans (reviewed by RC West) that address reliability impacts of extreme weather in their area.[59] RC West will consider issuing an operating instruction to shed load as a last resort to mitigate reliability issues that occur in real-time if all appropriate mitigation actions have been considered.[60]

b. Entities Seeking Services from RC West

Entities that seek to take reliability coordinator services from the CAISO must complete the required onboarding process. This includes execution of the Reliability Coordinator Services Agreement and other related implementation agreements,[61] network model integration, access and provisioning, training, connectivity testing, system integration, data validation, and shadow operations.[62] The CAISO's Business Manual for Reliability Coordinator Services provides a walk-through of this process in a manner that explains the CAISO's authority and the steps entities must take to receive

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58 *See* Reliability Coordinator Procedure 0410, Section 3.2 (detailing actions during transmission emergencies).

59 *See* Reliability Coordinator Procedure 0410, Section 3.4 (detailing actions during extreme weather events).

60 *See* Reliability Coordinator Procedure 0410, Section 3.5 (detailing actions to shed load).

61 *See* CAISO Tariff, Appendix B.22 (providing a *pro forma* Reliability Coordinator Service Agreement).

62 The Business Practice Manual for Reliability Coordinator Services sets out this onboard process and provides contact information for entities seeking assistance in this process, *available at*: https://bpmcm.caiso.com/Pages/BPMLibrary.aspx.

reliability coordinator services.[63] All tariff and BPM materials related to CAISO's role as reliability coordinator are maintained and made publicly available on the CAISO's website.

As a NERC-registered entity, Centralia knew, or should have known, about these requirements. However, Centralia did nothing to secure RC West as its reliability coordinator even though it persists in arguing that the CAISO as RC West has authority to direct it to operate. As explained, unit 2 of the Centralia Generation Station was not within the CAISO's RC Area at the time DOE issued its emergency order requiring Centralia to "take all measures necessary to ensure that Centralia Unit 2 is available to operate at the direction of . . . the California Independent System Operator Corporation Reliability Coordinator West (in its role as the Reliability Coordinator)."[64] Thus, to comply with the DOE's order, bringing the Centralia generator into the CAISO's RC Area was a necessary measure.

2. Necessary Measures Centralia Failed to Take

Centralia's failure to take steps to obtain reliability coordinator services from the CAISO demonstrates that it did not comply with DOE's directive to take "all measures necessary."[65] Given Centralia's failure to comply with DOE's directive, the record does not support cost assignment to the CAISO.[66]

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[63] *See* Business Practice Manual for Reliability Coordinator Services, *available at*: https://bpmcm.caiso.com/Pages/BPMLibrary.aspx.

[64] *See* Dec 16 DOE Order at Ordering Paragraph A.

[65] *Id.*

[66] Following receipt of the Centralia Answer, the CAISO located the referenced email sent by Centralia to a CAISO employee that manages the dispute of transactions settled through the CAISO markets. It is unclear why Centralia contacted this specific CAISO employee and it is unclear why Centralia did not take steps to ensure its "invoice" for an amount more than $10 million was not flagged as a phishing attempt. However, sorting through these facts is not material to the determinations the Commission needs to make in this proceeding.

First, following issuance of DOE's order, Centralia did not initiate efforts to execute the Reliability Coordinator Services Agreement."[67] Initiating the request to receive the "RCSA information request sheet" is a necessary compliance measure Centralia failed to take and prevented the CAISO from obtaining the commitments it requires to provide reliability coordinator services.

Second, following issuance of DOE's order, Centralia did not register with NERC as an entity qualified to take Reliability Coordinator Services from the CAISO. As the CAISO tariff clearly provides: "An RC Customer must be registered and certified under the applicable authorities as – (A) a balancing authority; (B) a transmission operator within a Balancing Authority Area that receives RC Services from the CAISO; or (C) a transmission operator within the CAISO Balancing Authority Area."[68] Centralia is not registered with NERC as a transmission operator, nor is it registered as a balancing authority. This entity is listed on the NERC compliance registry as a "Generator Owner/Generator Operator."[69] The CAISO tariff does not authorize CAISO to provide reliability coordinator services directly to a GO/GOP.[70] Centralia also did not take steps to cause its balancing authority to take reliability coordinator services from the CAISO or to join a balancing authority that already takes reliability coordinator services from the CAISO.

Third, following issuance of DOE's order, Centralia did not execute the Western Interconnection Data Sharing Agreement (WIDSA). The WIDSA is a multi-party regional

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67 *See* CAISO tariff, Section 19.1(a).

68 *Id.* at Section 19.5 (b)(1).

69 NERC's compliance registry is maintained at the following website: https://www.nerc.com/programs/registration/compliance-registry-files.

70 *See* CAISO tariff, Section 19.1.

contract that governs the secure exchange of real-time operational data.[71] Parties that execute the WIDSA allow the CAISO, as reliability coordinator, access to necessary system control information and meter data including, but not limited to, information or data related to voltages, line flows, interchange schedules, e-tags, load projections, planned generation and transmission outages, breaker status, and Area Control Error/frequency monitoring tools, in addition to other critical energy infrastructure information.[72] Centralia is not a signatory to the WIDSA, and Centralia did not take steps to have a WIDSA signatory provide the CAISO with access to the type of data necessary for the CAISO to direct operation of unit 2 of the Centralia Generation Station.[73]

Fourth, following issuance of DOE's order, Centralia did not complete required training. RC West facilitates necessary training on matters critical to the reliability and security of the electric grid. This includes, but is not limited to, training on physical risks and prevention, cyber risks and prevention, and the prevention of impersonation scams. In failing to complete such training with the CAISO, Centralia failed to comply with the DOE's order. Centralia's Answer suggests it was prepared to respond to an operating instruction from the CAISO,[74] yet the record does not include any evidence Centralia

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[71] The CAISO maintains a copy of the WISDA on its website available at: https://www.caiso.com/documents/westerninterconnectiondatasharingagreement.pdf.

[72] *See* BPM for Reliability Coordinator Services, Section 3 ("the RC Customer will need to execute the Western Interconnection Data Sharing Agreement.").

[73] Gridforce Energy Management takes reliability coordinator services from the CAISO on behalf of entities other than Centralia generating unit. *See supra* n. 50. In its role representing these other third-parties, Gridforce executed the WIDSA. The WIDSA does not permit Gridforce to exchange or share data with entities not in privity. Signatories to the WIDSA are available at: https://www.caiso.com/documents/westerninterconnectiondatasharingagreement-listofsignatories.pdf.

[74] *See, e.g.,* Centralia Answer at 16 ("DOE's Orders created the service which TransAlta was compelled to provide: being available to operate, and upon direction actually operating. TransAlta's costs here were incurred in the course of being made available to operate.").

conducted table-top exercises or otherwise had procedures in place to know if the CAISO had issued it an operating instruction consistent with requirements necessary to ensure the security of the electric grid. Indeed, the CAISO has no contractual relationship of any kind with Centralia, nor has Centralia sought any such relationship with the CAISO.

Fifth, following issuance of DOE's order, Centralia did not cause data for unit 2 of the Centralia Generation Station to be integrated into RC West's applications. RC West applications support reliability and security of the electric grid by ensuring that user access is properly provisioned and maintained for the organizations taking reliability coordinator services from the CAISO and that data is tested and validated before integration. Importantly, as the RC West Business Practice Manual highlights, integrations include generation forecast, outage data, and real-time messaging and visibility. This crucial measure ensures RC West can have situational awareness, as necessary, and has access to secure communication channels to be utilized when needed -- both key factors to operating a secure and reliable electric grid.

Sixth, following issuance of DOE's order, Centralia submitted no data for unit 2 of the Centralia Generation Station into CAISO's Emergency Management System (EMS) network model. The CAISO models transmission and generation assets in several systems; specifically, the Network Model in the CAISO Energy Management System, Real-Time Contingency Analysis, Operational Planning Analysis, and the Master File. The EMS network model is used to monitor the real-time status of the BES and to provide the real-time estimated power system solution necessary to determine the initial condition for real-time applications. Integrating data for Centralia's generator is "dependent on the RC Customer's capability to communicate to CAISO the Network Model information"[75] and requires that one "must also submit the supplement resource information template for all generating resources."[76]

Centralia's Answer failed to address these necessary measures, instead focusing on its fuel procurement challenges. Yet, in its Answer, Centralia frames the costs it incurred as "compliance costs," arguing it has "a right to recover its costs, and the Commission's role is to resolve this compensation issue."[77] Although securing fuel is a necessary condition, it is not a sufficient condition to achieve compliance with DOE's directive to "ensure that Centralia Unit 2 is available to operate." The record does not reflect, and CAISO is not otherwise aware of any steps Centralia took after the DOE issued its orders to participate in the CAISO's markets, to deliver energy to the CAISO balancing authority area, or to subject itself to the CAISO's authority as a reliability coordinator. Under these circumstances, Centralia failed to comply with DOE's directives and, from the CAISO's perspective, was unavailable to it. Due to Centralia's failure to comply with the DOE's emergency order, the Commission should reject Centralia's application seeking cost recovery from the CAISO or from CAISO ratepayers.

III. Conclusion

Centralia persists in its attempt to seek cost recovery from the CAISO of a portion of its alleged costs for service it did not provide and for which there was no commensurate benefit for CAISO ratepayers. For the reasons set forth in the CAISO's

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75 CAISO RC BPM, Section 6.3.

76 CAISO RC BPM, Section 6.4.

77 Centralia Answer at 5.

answer, and the CAISO's May 21, 2026 protest, the CAISO urges the Commission to reject Centralia's application.

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Dated: August 5, 2026

CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, 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 5th day of August, 2026.

/s/ Jacqueline Meredith

Jacqueline Meredith
An employee of the California ISO