

189 FERC ¶ 61,224  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

December 23, 2024

In Reply Refer To:  
California Independent System  
Operator Corporation  
Docket No. ER25-94-000

California Independent System Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Attention: John C. Anders

Dear Mr. Anders:

1. On October 15, 2024, pursuant to section 205 of the Federal Power Act (FPA)<sup>1</sup> and part 35 of the Commission's regulations,<sup>2</sup> California Independent System Operator Corporation (CAISO) filed proposed revisions to its Open Access Transmission Tariff (Tariff) to enable inter-scheduling coordinator (inter-SC) trades of energy in balancing authority areas (BAAs) participating in the Western Energy Imbalance Market (WEIM) and the Extended Day-Ahead Market (EDAM).<sup>3</sup> In this order, we accept CAISO's proposed Tariff revisions, as requested, and direct CAISO to submit an informational filing notifying the Commission of the actual effective date no less than seven days prior to the date CAISO implements the proposed Tariff revisions, as discussed below.

2. CAISO states that it currently facilitates inter-SC trades of energy, ancillary services, and day-ahead load uplift obligations as part of the settlement process to support streamlined bilateral contractual financial arrangements that may exist between market participants. CAISO explains that inter-SC trades are an optional settlement mechanism

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. pt. 35 (2024).

<sup>3</sup> See CAISO, CAISO eTariff, § 29.28 (Inter-SC Trades) (2.0.0); *id.* § 33.28 (Inter-SC Trades) (1.0.0).

between two or more scheduling coordinators and that without inter-SC trading, all trades between scheduling coordinators would be settled bilaterally outside the CAISO market.<sup>4</sup>

3. CAISO states that inter-SC trades are currently supported only within the CAISO BAA and that its proposed Tariff revisions will extend inter-SC trades of energy to WEIM and EDAM BAAs. CAISO explains that it is not proposing to extend inter-SC trades of ancillary services or day-ahead load uplift obligations to WEIM or EDAM BAAs. CAISO states that WEIM and EDAM do not currently co-optimize ancillary services with energy, meaning that inter-SC trades of ancillary services are not useful outside the CAISO BAA. CAISO further states that implementing inter-SC trades of day-ahead load uplift obligations would require extensive system changes that could interfere with the current EDAM implementation timeline.<sup>5</sup>

4. CAISO argues that inter-SC trades of energy can facilitate contractual delivery and settlement of bilateral power purchases or other trades of energy at defined points on the system. CAISO explains that the proposed Tariff revisions would allow a quantity of megawatts to be traded between two scheduling coordinators at a specific location for a specific trading hour. CAISO states that inter-SC trades submitted in the day-ahead market would be settled at the hourly day-ahead market locational marginal price (LMP), and those submitted in the real-time market are settled hourly based on the simple average of the real-time market dispatch LMPs at the applicable generating unit pricing node (PNode) or aggregate pricing node.<sup>6</sup> CAISO states that the proposed Tariff revisions were unanimously supported by stakeholders that engaged in the stakeholder process.<sup>7</sup>

5. CAISO states that it is targeting an effective date for the proposed Tariff revisions of May 1, 2026, which is CAISO's intended go-live date for EDAM. However, to provide flexibility, CAISO filed the proposed revisions with an effective date of 12/31/9998, and requests that these provisions take effect, subject to CAISO filing a notice with the Commission within five days of the actual effective date.<sup>8</sup>

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<sup>4</sup> Transmittal at 2.

<sup>5</sup> *Id.* at 2-3.

<sup>6</sup> *Id.* at 3-4. CAISO describes two types of inter-SC trades of energy: (1) physical inter-SC trades at a specific physical generating unit PNode, and (2) inter-SC trades at aggregate pricing nodes. *Id.* at 3.

<sup>7</sup> *Id.* at 4-5.

<sup>8</sup> CAISO requests waiver of the Commission's 120-day notice requirement and states that good cause exists because it needs to integrate this functionality into the EDAM project. *Id.* at 6 (citing 18 C.F.R. §§ 35.3(a)(1), 35.11).

6. Notice of the filing was published in the *Federal Register*, 89 Fed. Reg. 84343 (Oct. 22, 2024), with interventions and protests due on or before November 5, 2024. Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California; Western Area Power Administration (WAPA); City of Santa Clara, California; Northern California Power Agency; California Department of Water Resources State Water Project; Public Citizen, Inc.; and Modesto Irrigation District filed timely motions to intervene. Department of Market Monitoring of the CAISO (DMM) and Balancing Authority of Northern California (BANC) filed timely motions to intervene and comments.

7. DMM states that it supports CAISO's proposal because inter-SC trades can facilitate contractual arrangements between scheduling coordinators and that allowing entities in other BAAs to use the inter-SC trading mechanism will help integrate bilateral markets in the West, while also providing additional transparency into these bilateral activities. Specifically, DMM states that additional transparency may be beneficial in the context of market monitoring. DMM states that the transparency may also provide an additional tool for BAAs to better allocate financial impacts associated with failing resource sufficiency tests in alignment with cost causation.<sup>9</sup> BANC states that it supports the proposed Tariff revisions because they would facilitate participation of WAPA – Sierra Nevada Region in EDAM, which is critical for BANC members and other WAPA – Sierra Nevada Region customers.<sup>10</sup>

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

9. We accept CAISO's proposed Tariff revisions and find them to be just and reasonable and not unduly discriminatory or preferential. Specifically, we agree that CAISO's proposed Tariff revisions to add inter-SC trades in WEIM and EDAM can facilitate contractual delivery and settlement of bilateral power purchases or other trades of energy at defined points on the system,<sup>11</sup> and provide access to the inter-SC trade functionality for trades of energy to market participants outside the CAISO BAA.<sup>12</sup>

10. We grant CAISO's request for waiver of the Commission's 120-day notice requirement to permit CAISO's filing to be tendered more than 120 days in advance of

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<sup>9</sup> DMM Comments at 2.

<sup>10</sup> BANC Comments at 2.

<sup>11</sup> Transmittal at 3-4.

<sup>12</sup> *Id.* at 4-5.

the requested effective date for good cause shown<sup>13</sup> and accept the proposed Tariff revisions with an effective date of 12/31/9998, as requested. CAISO must make an informational filing notifying the Commission of the actual effective date of the proposed Tariff revisions no less than seven days prior to the date CAISO implements the proposed Tariff revisions. CAISO should use the eTariff Type of Filing Code 150 – Data Response/Supplement the Record.

By direction of the Commission.

Debbie-Anne A. Reese,  
Secretary.

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<sup>13</sup> 18 C.F.R. § 35.3(a)(1).