

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To  
California Independent System  
Operator Corporation

Docket No. ER23-2917-000

Issued: December 14, 2023

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

Reference: Deficiency Letter

On September 22, 2023, California Independent System Operator Corporation (CAISO) filed revisions to its Open Access Transmission Tariff (Tariff) to implement the Subscriber Participating Transmission Owner (Subscriber Participating TO) model. Please be advised that this filing is deficient, and that additional information is necessary to process the filing. Please provide the information requested below.

1. Proposed revisions to section 24.14.4 state that, “[o]nce a New Participating TO has executed the Transmission Control Agreement and it has become effective, the cost for new Regional Transmission Facilities for all Participating TOs, except Subscriber Participating TOs, shall be included in the Grid-wide component of the Regional Access Charge...” Additionally, Appendix F, Schedule 3, section 8.1 specifies that the “Regional Access Charges and Regional Wheeling Access Charges shall be adjusted . . . on the date [the Commission] makes effective a change to the Non-Subscriber Usage Rate of any Subscriber Participating TO.” Please clarify how these tariff sections work in conjunction with each other. If a Subscriber Participating TO revises its Non-Subscriber Usage Rate and the Commission has made that rate effective, is that Non-Subscriber Usage Rate then included in the calculation of the Access Charge?
2. Under proposed section 7.1 “[e]ach Subscriber Participating TO shall develop a Non-Subscriber Usage rate . . . [that] will be no greater than the applicable Access

Charge<sup>1</sup> rate at the time the Subscriber Participating TO files its Non-Subscriber Usage Rate for approval by [the Commission].”

- a. Will Subscriber Participating TOs be able to file a revised Non-Subscriber Usage Rate if the Access Charge increases?
  - b. Similarly, will Subscriber Participating TOs be required to revise the Non-Subscriber Usage Rate if the TAC falls below the Non-Subscriber Usage Rate on file? If not, how does CAISO intend to address a scenario in which the TAC falls below the Non-Subscriber Usage Rate, resulting in a shortfall (i.e., CAISO collecting less money via the TAC than required to pay a Subscriber Participating TO’s Non-Subscriber Usage Rate)?
3. CAISO states that because the Subscriber Participating TO transmission facilities will add new scheduling points, CAISO will be receiving more revenue as a result of non-subscriber uses of those facilities than will be required to meet the existing Subscriber Participating TO’s transmission revenue requirements, and asserts that this additional revenue will be available to pay the non-subscriber usage payment amount to Subscriber Participating TOs.<sup>2</sup> CAISO also explains that if the Regional Wheeling Access Charge (WAC) revenue is insufficient to fully pay the non-subscriber usage payment amounts, any remainder will be paid by using the TAC.<sup>3</sup>
- a. To the extent that the non-subscriber usage payments reflect a shortfall in a given year and the shortfall is funded through TAC revenues that would otherwise flow to Subscriber Participating TOs, please explain how Subscriber Participating TOs will recover the shortfall in their transmission revenue requirements. How would non-subscriber usage payment shortfalls affect the TAC over time, assuming no change in gross load year over year?

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<sup>1</sup> CAISO uses Access Charge and Transmission Access Charge (TAC) interchangeably. *See* CAISO, Tariff, app. A (Definitions).

<sup>2</sup> Transmittal at 32, 35.

<sup>3</sup> Transmittal at 31-32.

4. CAISO states that, in accordance with the existing CAISO tariff, it will assess the TAC for Non-Subscriber imports that use scheduling points on the Subscriber Participating TO's transmission facilities, and will assess the WAC for the Non-Subscriber exports and wheeling through transactions that use such scheduling points.<sup>4</sup> Please explain what the existing Tariff provides for with regard to assessing the TAC on imports that are not part of a wheeling through transaction and provide the applicable Tariff sections.
5. Proposed new language in section 26.1 states that "Non-Subscribers scheduling transactions on the transmission assets or Entitlements of a Subscriber Participating TO shall pay the Access Charge and Wheeling Access Charge, as applicable." Under CAISO's proposal, if a scheduling coordinator's import bid clears the day-ahead market or real-time market at a Subscriber Participating TO's scheduling point, what would be the applicable Access Charge for such a transaction? Would the applicable Access Charge be in addition to Access Charges that would be assessed based on load in CAISO that is served by the import? Please explain.

This letter is issued pursuant to 18 C.F.R. § 375.307(a)(1)(v) and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713. CAISO must respond within 30 days of the date of this letter by making an amendment filing in accordance with the Commission's electronic tariff requirements.<sup>5</sup>

The filing requested in this letter will constitute an amendment to the filing, and a new filing date will be established, pursuant to *Duke Power Company*, 57 FERC ¶ 61,215 (1991), upon receipt of CAISO's electronic tariff filing. A notice of amendment will be issued upon receipt of the response. Failure to respond to this letter order within the time

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<sup>4</sup> Transmittal at 31.

<sup>5</sup> *Electronic Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (an amendment filing must include at least one tariff record even though a tariff revision might not otherwise be needed). The response must be filed using Type of Filing Code 180 – Deficiency Filing.

period specified, and in the manner directed above, may result in a further order rejecting the filing. Until receipt of the amendment filing, a new filing date will not be assigned to this case.

Issued by: Amery S. Poré, Director, Division of Electric Power Regulation – West