

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

North Rosamond Solar, LLC

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Docket No. ER26-1128-000

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION OPPOSING PETITION FOR WAIVER**

The California Independent System Operator Corporation (CAISO) submits this answer to the petition for limited waiver filed in this docket by North Rosamond Solar, LLC (North Rosamond) on January 23, 2026.<sup>1</sup> North Rosamond seeks waiver of the CAISO tariff provisions governing the market settlement timeline. Specifically, North Rosamond seeks a Commission order directing the CAISO to resettle all trade dates from September 2022 through July 2023 even though they fall beyond the CAISO's 24-month market settlements timeline. North Rosamond asserts that resettling these trade dates would allow it to recover an underpayment of approximately \$1 million.

Resettlement after the established settlements deadline is a remedy that should be granted only when necessary and appropriate. The CAISO opposes North Rosamond's waiver request because it does not meet that standard. North Rosamond's petition, if granted, would create a significant and unjustified burden for the CAISO and its market participants that would result from resettling nearly an entire year of individual trade dates. This is particularly so given the underlying events. North Rosamond has not experienced an unforeseeable chain of events outside its control—the events giving rise to the waiver request

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<sup>1</sup> The CAISO files this answer pursuant to Rule 213 of the Federal Energy Regulatory Commission's (FERC) Rules of Practice and Procedure, 18 C.F.R. § 385.213.

began with the failure of equipment owned and maintained by North Rosamond; the resulting meter data errors could have been identified and corrected by North Rosamond or its scheduling coordinator before the 24-month settlement deadline ended; and any alleged underpayment to North Rosamond by its off-taker can still be addressed directly between North Rosamond and its scheduling coordinator outside the CAISO settlements process.

## **I. Background**

### **A. CAISO Settlements Process and Timeline**

The CAISO financially settles each trade date based on iterative settlement statements published on a set schedule following the trade date. Each successive settlement statement is meant to be more accurate because the CAISO produces it with more accurate inputs, such as updated meter data and prices revised through the CAISO price correction processes.

The CAISO publishes the first settlement statement nine business days after the trading day (T+9B) and the second statement after 70 business days (T+70B). These first two statements are produced in the ordinary course of business.<sup>2</sup> If necessary, the CAISO may publish settlement statements 11 months after the trading day (T+11M), 21 months after the trading day (T+21M), and 24 months after the trading day (T+24M).<sup>3</sup>

In limited cases, the CAISO can publish settlement statements outside of these five milestones. The CAISO has authority to issue an “Unscheduled

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<sup>2</sup> CAISO tariff section 11.29.7.1.

<sup>3</sup> *Id.*

Reissue Recalculation Settlement Statement” between the T+11M and T+21M where the CAISO made an error and the market impact of the miscalculation for the trade data was more than \$1 million.<sup>4</sup> The reason for this authority is that scheduling coordinators should not have to wait for ten months to be made whole for large settlement errors caused by the CAISO. The CAISO also may produce a settlement statement after 24 months (an “Unscheduled Directed Recalculation Settlement Statement”) but only if “directed by the CAISO Governing Board or pursuant to a FERC order.”<sup>5</sup> Where the CAISO issues an Unscheduled Directed Recalculation Settlement Statement, the market participant requesting it bears the administrative costs unless the statement was “needed due to a clerical oversight or error on the part of the CAISO staff.”<sup>6</sup>

With one exception, scheduling coordinators have the right to dispute information on a settlement statement within 22 business days of the settlement statement being issued.<sup>7</sup> After the T+70B statement, only items that reflect incremental changes from a past statement are disputable.<sup>8</sup> Under the tariff, a scheduling coordinator is considered to have validated a settlement statement unless it submits a valid dispute and once validated, the settlement statement binds the scheduling coordinator.<sup>9</sup> In recognition of its finality, the T+24M statement is not subject to dispute or adjustment “except as directed by the

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<sup>4</sup> CAISO tariff section 11.29.7.3.1.

<sup>5</sup> CAISO tariff section 11.29.7.3.2.

<sup>6</sup> CAISO tariff section 11.29.7.3.4.

<sup>7</sup> CAISO tariff section 11.29.8.2(a) & (b)(v).

<sup>8</sup> CAISO tariff section 11.29.8.2(b)(ii).

<sup>9</sup> CAISO tariff section 11.29.8.2(a).

CAISO Governing Board or by an order issued by FERC.”<sup>10</sup> The opportunity for dispute, and the finality of the values after the dispute window lapses, reflects an important principle in the CAISO settlements process – scheduling coordinators need to be active participants in the settlement process and review payments/charges relating to their market participation and that of the market participants they represent.

The CAISO has explained in past Commission filings that the settlement timelines, and particularly the length of the settlement cycle, reflect a careful balance among several competing factors. Creating a defined deadline for the process reflects a compromise between accuracy and finality. Having no cut-off would allow the CAISO to update settlements based on new information into perpetuity, helping guarantee the accuracy of the process. When the CAISO first proposed a sunset to the settlements process in 2010 (set at 36 months) the CAISO explained there was also value in providing finality to the process; market participants could feel confident at the end of the timeline that past payments for a trade date would not later be clawed back and that charges would not be increased.<sup>11</sup> More recently, when the CAISO proposed moving to the current 24-month timeline along with other changes to the settlements timeline, the CAISO explained the new process was needed to more carefully balance credits risks for both individual market participants and the market overall.<sup>12</sup>

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<sup>10</sup> CAISO tariff section 11.29.8.2(b)(iii).

<sup>11</sup> *Cal. Indep. Sys. Operator Corp.*, Payment Acceleration, 2 & 13-14, FERC Docket No. ER09-1247 (Jun. 1, 2009).

<sup>12</sup> *Cal. Indep. Sys. Operator Corp.*, Market Settlement Timeline Tariff Amendment, 2 & 13-14, FERC Docket No. ER20-2617 (Aug. 6, 2020).

Beyond the discussion in these two tariff filings, other important principles support having a well-defined end of the settlements cycle. Without a defined end date parties could never close their books on a trade date because it would always be subject to resettlement. Market participants might become reluctant to transact in the CAISO markets if transactions represented open-ended financial liabilities. This lower participation could also extend to bilateral contracts that settle based on CAISO prices. Reduced liquidity, particularly in the CAISO's physical energy markets, ultimately is to the detriment of load. Keeping transactions open indefinitely also imposes a burden on both the CAISO and its market participants to retain records and maintain legacy systems on the chance resettlement of a long-past trading day is needed.

The CAISO has issued settlement statements after expiration of the settlements timeline only in limited cases.<sup>13</sup> The common element, whether pursuant to direction from the Board of Governors or the Commission, has been the need to correct a significant CAISO error or because a pending Commission proceeding that dictated the outcome of a settlements issue was not resolved within the defined timeline. Expanding late settlements statements beyond these

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<sup>13</sup> *California Indep. Sys. Operator Corp.*, 171 FERC ¶ 61,250 (2020) (granting waiver allowing reopening of final settlement statements to correct flawed market incentive payment allocations); *Shell Energy North America (US), L.P. v. California Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,307 (2015) (directing correction of CAISO's settlement statement after settlements timeline to remedy an erroneous unavailability charge); California Indep. Sys. Operator Corp., Updated Publication of Unscheduled Directed Recalculation Settlement Statements (Sept. 23, 2022) (market notice announcing FERC-directed recalculation settlement statements for Wheeling Access Charge rate adjustments), <https://www.aiso.com/Documents/updated-publication-of-unscheduled-directed-recalculation-settlement-statements.html>; California Indep. Sys. Operator Corp., Decision on Authorization for Settlement Recalculations (Mar. 17, 2022) (CAISO Board of Governors memorandum authorizing settlement recalculations beyond the settlement timeline), <https://www.aiso.com/Documents/Decision-on-Authorization-for-Settlement-Recalculations-Memo-Mar17-2022.pdf>;

limited circumstances would undermine the finality principle that supports having a deadline.

## **B. CAISO Engagement with North Rosamond on Metering Issues**

The CAISO largely agrees with the factual recitation North Rosamond provides in its waiver request of its engagement with the CAISO. Three elements of North Rosamond's account, however, require clarification and more detail.

First, in several places, North Rosamond states the CAISO agreed with North Rosamond about the impacts of the metering issues at the facility.<sup>14</sup> The CAISO has not verified North Rosamond's data or the underlying issues. Many parts of CAISO processes rely on self-reported information from scheduling coordinators and other market participants. In this case, the CAISO accepted the new meter data values and conducted resettlement without auditing the data or analyzing the ultimate settlements impacts of processing the new data.

Second, the CAISO can confirm receiving several inquiries in its Customer Inquiry, Dispute and Information (CIDI) system from Southern California Edison, Inc. (SCE), on behalf of North Rosamond.<sup>15</sup> North Rosamond refers in its January 23 waiver to CIDI case no. 00266839 as a dispute. The CAISO does not agree this CIDI case, or the others regarding this matter, were properly presented as settlement disputes. CIDI case no. 00266839 addressed trade dates from September 2022 through May 2023, but it was submitted in

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<sup>14</sup> January 23 waiver, at 3 & 10.

<sup>15</sup> This included CIDI case no. 00266839 referenced in the January 23 waiver, as well as case nos. 00264208 and 00265917.

September 2023. The 22-business-day dispute deadline for the T+70B settlement statement for nearly that entire period of trading days had passed by that point.<sup>16</sup> Had that CIDI case been a dispute it would have been untimely. The CAISO did not process the time-shifted meter data or the corrected data for August 2023 and September 2023 under a settlement dispute. The CAISO instead exercised its discretion to correct flawed market inputs (*i.e.*, the meter data North Rosamond said was incorrect) within the settlements timeline.<sup>17</sup>

Third, the January 23 waiver is ambiguous about whether the claimed \$1 million in underpayment arises directly from the CAISO settlements process or whether it is from settling North Rosamond's bilateral contract with its off-taker, SCE. Given that the time-shifted data still presented correct MWh values and the general lack of high price volatility from one interval to the next in the CAISO markets, the CAISO could never identify a plausible scenario in which the resource would have been undercompensated to that extent. Based on further pre-filing discussions with representatives of North Rosamond, the CAISO understands that the claimed underpayment relates to a contract with SCE settled on the meter data values from the CAISO settlements system.

## **II. Answer**

The CAISO opposes North Rosamond's waiver for several reasons: (1) North Rosamond does not recognize the significant burdens imposed by

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<sup>16</sup> See CAISO tariff section 11.29.8.2(a).

<sup>17</sup> CAISO tariff section 10.3.6.4 explicitly prohibits the CAISO from processing revised meter data submitted more than 214 business days after the trading day. That restriction, however, applies to entities that manually submit meter data for every trading day (referred to as Scheduling Coordinator Metered Entities) and not to entities, like North Rosamond, whose meters are directly read by the CAISO (referred to as CAISO Metered Entities).

deviating from the established timelines; (2) in the context of the market settlements process and the period of time involved, the claimed underpayment is not material; (3) North Rosamond and its scheduling coordinator had opportunities to resolve the metering issues before the settlements timeline ended; and (4) North Rosamond seeks resettlement of contractual payments with SCE and not CAISO market payments.

**A. Granting the Waiver Would Impose Undue Burden on CAISO and the Market Overall**

North Rosamond's filing does not appropriately recognize the importance of the settlements sunset deadline. The filing acknowledges there is a policy rationale for the deadline<sup>18</sup> but then also says the deadline is "arbitrarily foreclosing" full payment.<sup>19</sup> The CAISO does not agree with characterizing this outcome as arbitrary. By design, the tariff foreclosed further adjustments to the trade dates. A 24-month settlement timeline may be arbitrary in that the CAISO's filed rate could have set the deadline at 23 months or 25 months. But once established, enforcing the deadline is not an exercise of caprice. Creating finality in the settlements process helps all parties and that should not be disrupted without extraordinary circumstances.

Part of why it is important to maintain a high standard for issuing Unscheduled Directed Recalculation Settlement Statement is that producing them creates significant burdens. North Rosamond acknowledges granting the

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<sup>18</sup> January 23 waiver, at 22.

<sup>19</sup> January 23 waiver, at 4 & 5.



waiver “will require CAISO to perform extra work”<sup>20</sup> but largely frames the waiver as permitting a transfer of funds from SCE to North Rosamond without significant collateral impacts on other parties. The CAISO disagrees with this framing for two reasons: (1) the resettlement effort would materially disrupt ongoing CAISO processes; and (2) the burden on other parties from late resettlements is not purely financial.

Referring to the effort for the CAISO merely as extra work does not appropriately capture the scope of the project that would be involved. North Rosamond is asking for resettlement of 11 months’ worth of trade dates by reprocessing the entire set of meter data for every interval. The CAISO does not have a mechanism to make a single unified set of recalculations. It must recalculate each trade date, day-by-day using different processes than would be used for an on-cycle settlement statement. This would be an extended manual effort that takes CAISO staff away from other work. Manual processes also introduce a higher risk of creating new errors to the detriment of other parties that would then conceivably require their own Unscheduled Directed Recalculation Settlement Statements to address. The CAISO recognizes that tariff section 11.29.7.3.4 allows the CAISO to recover the costs of an Unscheduled Directed Recalculation Settlement Statement from the party requesting the recalculation. However, once the full costs involved all the way through to the completion of the processing and publishing of the settlement recalculations are determined, including any potential lost opportunity costs, the CAISO expects the claimed \$1

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<sup>20</sup> January 23 waiver, at 24 & 25.

million returned to North Rosamond to be reduced by a potentially significant amount, thus further reducing North Rosamond's recovery of their claimed harm. Their position also does not account for the significant effort CAISO staff already spent in support of the efforts to correct North Rosamond's issues during the settlements timeline.

Even if it were the case that the resettlement largely would be a transfer of funds from SCE to North Rosamond, there still will be collateral impacts on other entities. Any late changes will create accounting challenges for the parties. This is particularly so where the changes to past charges or payments raise questions under bilateral contracts about which party is entitled to new payments or forced to pay for higher charges. The CAISO settlements process is also highly complex and the CAISO cannot be certain how market settlements for this extended period will change based on new meter data values.

**B. The Magnitude of North Rosamond's Claimed Underpayment Does Not Justify Resettlement**

Although North Rosamond frames its waiver as merely requesting out-of-time resettlements without the Commission reaching the issue of how much North Rosamond may have been underpaid, the nature and size of the claimed underpayment is a material factor regarding the merit of North Rosamond's request. The amount of claimed impact suggests this matter does not justify resettlement. Even accepting North Rosamond's claim of \$1 million as correct, the tariff suggests this value over such an extended time is not sufficiently material. Tariff section 11.29.7.3.1 sets a materiality threshold of \$1 million *per day* of market impact to justify an Unscheduled Reissue Recalculation Settlement

Statement (*i.e.*, an unscheduled settlement statement between T+11M and T+21M, but still within the ordinary two-year resettlement cycle). Here the claimed impact is \$1 million over the entire 11-month period. Although tariff section 11.29.7.3.1 is not directly relevant to Unscheduled Directed Recalculation Settlement Statements, it is still instructive about what deviations from the schedule may be justified.

**C. North Rosamond and its Agents Could Have Resolved the Issue within the Settlements Timeline**

North Rosamond's fact pattern goes against the fact pattern that has supported Unscheduled Directed Recalculation Settlement Statements in the past. There was no CAISO error or dependency on a pending Commission decision. Instead, North Rosamond's claimed harm stems from issues within its control or that of its representatives.

The mechanical error that caused the first set of metering errors (*i.e.*, the loose circuit) was on a meter North Rosamond constructed, owned, and maintains.<sup>21</sup> Under tariff section 10.2.3, North Rosamond is responsible for ensuring its meters meet the CAISO metering standard and accuracy requirements. Undercounting production by 44,000 MWh over the September 2022 to May 2023 period would not meet the CAISO's accuracy requirements. Whether the loose circuit was caused by bad design or poor maintenance by North Rosamond or its metering vendors, or whether it was just freak bad luck, the error occurred on equipment for which North Rosamond is responsible. Any

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<sup>21</sup> January 23 waiver, at 6.

analysis should start from the premise that North Rosamond should bear the costs of errors caused by its equipment.

Despite the failure of North Rosamond's equipment and despite SCE never submitting disputes through the CAISO's established settlement disputes process, the CAISO still provided North Rosamond and SCE multiple opportunities to resolve the metering discrepancies from the unit. North Rosamond explains that the time-shifted data that the 11 months in question were settled upon occurred because its staff was unfamiliar with formatting meter data values to the CAISO's specifications.<sup>22</sup> And once it realized the resubmitted data had errors, it had to work through SCE to gain access to CAISO settlements data through SCE<sup>23</sup> and generally had to communicate with the CAISO through SCE.<sup>24</sup>

The CAISO does not question whether these factors contributed to the difficulties in resolving the aberrant meter data. The question, however, is whether these explanations excuse the errors. They do not. Scheduling coordinators are responsible for validating CAISO settlement statements and raising timely disputes. Although the specific metering equipment failures at North Rosamond are not typical, the CAISO often sees settlement disputes arising from technical issues that cause a discrepancy between the actual values on a CAISO settlement statement and the values a scheduling coordinator or market participant expected. Through its standard business processes, the

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<sup>22</sup> January 23 waiver, at 2 & 10.

<sup>23</sup> January 23 waiver, at 3.

<sup>24</sup> January 23 waiver, at 12.

CAISO provided SCE, as North Rosamond's scheduling coordinator, access to the information needed to validate the settlement statements. To the extent there was an imperfect flow of information or insufficient coordination between North Rosamond and SCE, the burden of remediating the associated costs should not be borne by the CAISO and the rest of the market.

**D. A Bilateral Contractual Dispute Does not Justify CAISO Market Resettlement**

The CAISO would oppose this waiver even if the CAISO were certain that the requested resettlements would directly result in North Rosamond receiving an additional \$1 million in compensation from CAISO markets settlements. However, the waiver request is especially problematic because, as the CAISO understands it, North Rosamond's claimed harm is not tied directly to the CAISO settlements process. For North Rosamond to be made whole, a CAISO resettlement would still have to be followed by a contractual resettlement between SCE and North Rosamond. But North Rosamond has not explained why such a contractual resettlement can happen *if and only if* the CAISO first conducts a market resettlement. The CAISO views this matter as primarily a contractual dispute between two parties, neither of which is the CAISO. It is far more reasonable for the two parties to resolve that dispute directly rather than involve the CAISO and the rest of the market.

**III. Communications**

Under Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, the CAISO respectfully requests that service of all pleadings, documents, and all communications regarding this proceeding be addressed to:

David S. Zlotlow  
Lead Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Tel: (916) 351-4400  
Fax: (916) 608-7222  
Email: [dzlotlow@caiso.com](mailto:dzlotlow@caiso.com)

#### **IV. Conclusion**

The January 23 waiver is unwarranted and unnecessary. The CAISO opposes North Rosamond's January 23 waiver because North Rosamond has not made a case for market resettlements beyond the 24-month settlements timeline. North Rosamond, and its scheduling coordinator, controlled the key events leading to the waiver filing. Resolution of North Rosamond's claimed underpayment remains an issue that can be resolved with its scheduling coordinator without burdening the CAISO or the rest of the market.

**/s/ David S. Zlotlow**

Roger E. Collanton  
General Counsel  
Anthony Ivancovich  
Deputy General Counsel  
Andrew Ulmer  
Assistant General Counsel  
David S. Zlotlow  
Lead Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Counsel for the California Independent  
System Operator

Dated: February 13, 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 13<sup>th</sup> day of February, 2026.

/s/ Ariana Rebancos

Ariana Rebancos

An employee of the California ISO