

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

|                               |   |                        |
|-------------------------------|---|------------------------|
| County of Yolo, California    | ) |                        |
|                               | ) |                        |
| v.                            | ) | Docket No. EL26-28-000 |
|                               | ) |                        |
| California Independent System | ) |                        |
| Operator Corporation          | ) |                        |

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION TO MOTION FOR DEFAULT ORDER**

The California Independent System Operator Corporation (CAISO) respectfully submits this motion for leave to answer and answer to the motion for default order filed in this proceeding by the County of Yolo, California (Yolo) on December 23, 2025.<sup>1</sup> Yolo claims its initial filing in this docket properly fell under the simplified complaint procedures of Rule 218,<sup>2</sup> the CAISO failed to meet the applicable 10-day answer deadline,<sup>3</sup> and the Commission should issue an order of default under Rule 213(e).<sup>4</sup> The CAISO reiterates its position there is a reasonable basis for the Commission to grant the ultimate relief Yolo requests in this proceeding. The CAISO, however, opposes Yolo's motion for the following reasons:

---

<sup>1</sup> This motion and answer is submitted pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (FERC or Commission), 18 CFR §§ 385.212, 385.213. There is good cause to permit this answer because it will aid the Commission's decision making process and provide information to assist the Commission in resolving the issues presented.

<sup>2</sup> 18 CFR § 385.218.

<sup>3</sup> 18 CFR § 385.218(e).

<sup>4</sup> 18 CFR § 385.213(e).

1. The CAISO tariff calls for rules of conduct penalty appeals to be filed as waivers rather than complaints.
2. Yolo does not meet the requirements of Rule 218.
3. The Commission Secretary's establishment of a 20-day answer period reflects that the request to proceed under Rule 218 was not granted.
4. A default judgment in these circumstances would inject uncertainty into the CAISO's processes to the detriment of the CAISO and its market participants.

Through its November 21 filing, Yolo exercised its right under CAISO tariff section 37.8.10 to appeal a rules of conduct sanction. This section states an entity may appeal "to FERC by submitting a waiver request." The reference to a waiver request, as opposed to filing a complaint, is intentional. This section previously stated that the appeal should be filed "in accordance with FERC's rules and procedures," which the Commission interpreted to require filing a complaint under section 206 of the Federal Power Act.<sup>5</sup> In a 2024 tariff amendment filing, the CAISO explained that a waiver is a more appropriate procedural vehicle for a rules of conduct appeal.<sup>6</sup> The Commission subsequently approved the amendments.<sup>7</sup> In filing a complaint, Yolo did not pursue the designated procedural course specified in the CAISO tariff for rules of conduct appeals. For this reason, it is ineligible to invoke the complaint procedures under Rule 218 if it still wants its appeal to be recognized under tariff section 37.8.10. Additionally, granting default judgment on this basis would undermine the CAISO tariff's directive for market participants to file rules of conduct appeals through a waiver filing.

---

<sup>5</sup> 16 USC § 824e.

<sup>6</sup> *Cal. Indep. Sys. Operator Corp.*, Tariff Amendment to Enhance the Rules of Conduct, at 15 & 16, FERC Docket No. ER25-54-000 (Oct. 8, 2024).

<sup>7</sup> *Cal. Indep. Sys. Operator Corp.*, 189 FERC 61,223 (2024).

Assuming for sake of argument that Yolo's request for relief were properly presented to the Commission as a complaint, it still has not met the requirements of Rule 218. Rule 218 applies only where "the impact on other entities is de minimis." Although the CAISO stated in its December 11 answer that it did not necessarily oppose Yolo's requested relief, the CAISO nevertheless has concerns about several grounds Yolo offered in support of its request for relief. If the Commission were to grant Yolo's request on these grounds, rather than the sole factor the CAISO cited in its answer (*i.e.*, the Grasslands units being on an extended outage), the CAISO would face significant new challenges in administering its tariff. This would impact not only the CAISO but all parties that depend on the CAISO to administer its tariff.

The Commission Secretary's setting of a 20-day comment date is also relevant. Yolo claims the CAISO's compliance with that deadline "makes no difference here" because "[n]othing in that notice indicates that the extended 20-day deadline also applies to answers."<sup>8</sup> This argument ignores the text of Rule 218(e)(2), which states that where the simplified procedures apply, a 10-day deadline applies to answers *and* comments. If Rule 218 indeed applied to Yolo's filing, then the Commission Secretary could not have set a 20-day deadline for comments, while silently allowing the answer deadline to remain at 10 days. On the other hand, the default deadline for both answers and comments in a standard complaint proceeding is 20 days (*i.e.*, the deadline set in this proceeding).<sup>9</sup> The only reasonable conclusion is that the Commission Secretary

---

<sup>8</sup> Yolo December 23 motion, at 3.

<sup>9</sup> 18 CFR § 385.206(f).

categorized Yolo's initial filing as a complaint but declined to grant Yolo's request to proceed under Rule 218.

Assuming the CAISO's December 11 answer were untimely, Yolo's request for a default order is unjustified. The CAISO proceeded in good faith based on the Secretary's published deadline to answer Yolo's pleading. No party was prejudiced by the additional ten days beyond the deadline Yolo claims was in effect. A Commission decision on the merits is also critical in this case because, as noted above, the CAISO disagrees with many of the grounds Yolo has offered in support of its waiver request. Granting a default judgment in this proceeding would inject uncertainty and confusion into the CAISO's processes because this proceeding would have raised several important questions concerning the rules of conduct process but then fail to address them in a meaningful way. Some of those questions include the extent to which a market participant can disclaim responsibility for the actions of its scheduling coordinator, what constitutes constructive notice, and whether a market participant can escape the impact of penalties because it failed to notify the CAISO of material changes regarding the contractual status of its key vendors. Now that those questions are before the Commission, the CAISO and its stakeholders will benefit from seeing the Commission answer them through an order on the merits. This will provide greater clarity to the CAISO and stakeholders regarding the application of these processes going forward.

For the foregoing reasons, the CAISO respectfully requests that the Commission deny Yolo's December 23 motion for a default order and instead consider Yolo's November 21 waiver request on the merits.

**/s/ David S. Zlotlow**

Roger E. Collanton

General Counsel

Anthony Ivancovich

Deputy 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: January 6, 2026