

188 FERC ¶ 61,066
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Mark C. Christie and David Rosner

California Independent System Operator Corporation Docket No. ER24-155-000

ORDER ON COMPLIANCE FILING

(Issued July 25, 2024)

1. On October 19, 2023, as supplemented on November 2, 2023, California Independent System Operator Corporation (CAISO) submitted proposed revisions to Appendix A, section 12, and section 20 of CAISO's Open Access Transmission Tariff (Tariff)¹ to comply with the requirements of Order No. 895, a final rule addressing credit-related information sharing between organized wholesale electric markets,² i.e., Regional Transmission Organizations (RTO)/Independent System Operators (ISO).³ As discussed below, we find that CAISO's proposed revisions comply with the requirements of Order No. 895. Accordingly, we accept CAISO's proposed Tariff revisions, effective July 26, 2024.

I. Background

2. On June 15, 2023, pursuant to section 206 of the Federal Power Act,⁴ the Commission amended section 35.47 of the Commission's regulations to require that RTOs/ISOs have tariff provisions that permit them to share among themselves market participants' credit-related information for the purpose of credit risk management and mitigation.⁵

¹ CAISO, CAISO eTariff, § 12.1 (Credit and Minimum Participation Requirements) (7.0.0); *id.* § 12.1.1 (Unsecured Credit Limit) (4.0.0); *id.* § 20 (Confidentiality) (0.0.0); *id.* § 20.4 (Disclosure) (7.0.0); *id.* app. A (Definitions Credit Related Information) (0.0.0).

² *Credit-Related Info. Sharing in Organized Wholesale Elec. Mkts.*, Order No. 895, 183 FERC ¶ 61,193 (2023).

³ *See* 18 C.F.R. § 35.46 (2023).

⁴ 16 U.S.C. § 824e.

⁵ Order No. 895, 183 FERC ¶ 61,193 at P 19; *see also id.* PP 3-14 (setting forth history of Commission action on public utility credit policies).

3. In the final rule, the Commission found that it is unjust and unreasonable for RTOs/ISOs to be unable to share with each other credit-related information and that tariff provisions that prohibit or otherwise limit an RTO/ISO from sharing with each other credit-related information are unjust and unreasonable. The Commission reasoned that such tariff provisions can hinder an RTO's/ISO's ability to evaluate a market participant's creditworthiness and respond to credit events, and thus, in turn, can hinder its ability to prevent or mitigate default by market participants. The Commission further reasoned that, because the costs of such defaults typically are borne by non-defaulting market participants, an RTO's/ISO's lack of access to credit-related information may lead to unjust and unreasonable rates for its market participants.⁶

4. To address limitations to RTOs'/ISOs' access to potentially relevant credit-related information, the Commission adopted regulations that require each RTO/ISO to have tariff provisions that: (1) permit RTOs/ISOs to share with each other credit-related information; (2) permit RTOs/ISOs to use market participant credit-related information received from other RTOs/ISOs to the same extent and for the same purpose as information received from their own market participants; and (3) require that an RTO/ISO that receives credit-related information from another RTO/ISO keep that information confidential as it would any other credit-related information received directly from one of its own market participants.⁷ The Commission required each RTO/ISO to submit a compliance filing consistent with the regulations adopted in the final rule.⁸

II. Filing

5. CAISO states that its proposed revisions comply with the requirements of Order No. 895.⁹ First, CAISO explains that the proposed revisions to section 20.4 of the Tariff permit CAISO to share credit-related information with another market operator "if the receiving market operator will treat the Credit Related Information received from CAISO as confidential under the terms set forth in the receiving market operator's FERC-approved tariff."¹⁰ Second, CAISO explains that it is proposing to revise

⁶ *Id.* PP 15-18.

⁷ *Id.* PP 19-20.

⁸ *Id.* P 88.

⁹ On November 2, 2023, CAISO submitted a supplement to correct typographical errors in the transmittal letter it originally filed on October 19, 2023. All citations in this order are to the revised transmittal letter that CAISO filed on November 2, 2023.

¹⁰ Transmittal at 6 (quoting CAISO, CAISO eTariff, § 20.4 (Disclosure) (7.0.0), § 20.4(c)(iii)). CAISO proposes to add "Credit Related Information" to Appendix A of its Tariff as a defined term. CAISO defines the term, in part, as "[c]redit risk management

section 12 of its Tariff, which specifies the types of credit-related information that CAISO collects from its market participants and details how CAISO uses that information to assess a market participant's obligations. CAISO explains that these revisions enable CAISO to use credit-related information it receives from another RTO/ISO to the same extent and for the same purposes as CAISO may use credit-related information it collects from its own market participants.¹¹ Third, CAISO explains that it has proposed to add language to sections 12.1 and 20.4 to specify that any credit-related information received from another RTO/ISO shall be treated as confidential.¹²

III. Notice and Responsive Pleadings

6. Notice of CAISO's compliance filing was published in the *Federal Register*, 88 Fed. Reg. 74,172 (Oct. 30, 2023), with interventions and protests due on or before November 9, 2023. Timely motions to intervene were filed by: the City of Santa Clara, California, the Northern California Power Agency, and the California Department of Water Resources State Water Project.

IV. Discussion

A. Procedural Matters

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2023), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

8. As discussed below, we find that CAISO's proposed Tariff revisions comply with the requirements of Order No. 895. Accordingly, we accept CAISO's proposed Tariff revisions, effective July 26, 2024.¹³

or mitigation information received from, or provided to, a market operator in accordance with 18 C.F.R. § 35.47(h)(1).” CAISO, CAISO eTariff, app. A (Definitions Credit Related Information) (0.0.0). CAISO also states that the definition incorporates a non-exhaustive list of examples of credit-related information, which allows CAISO to use its discretion in determining the kinds of credit-related information to share, within the bounds of the Commission's regulations. Transmittal at 4.

¹¹ Transmittal at 4-5.

¹² *Id.* at 6-7.

¹³ We choose to set a common effective date of July 26, 2024, for all the Order

9. We find that CAISO's proposed Tariff revisions comply with the requirements in Order No. 895 to have tariff provisions that permit the sharing of market participants' credit-related information with other RTOs/ISOs for the purpose of credit risk management and mitigation.¹⁴ Specifically, CAISO's proposed Tariff revisions comply with the three requirements set forth in section 35.47 of the Commission's regulations.¹⁵ First, we find that the proposed Tariff revisions will permit CAISO to share credit-related information about its market participants with other RTOs/ISOs. Second, we find that the proposed Tariff revisions will permit CAISO to use market participant credit-related information received from another RTO/ISO to the same extent and for the same purposes as information received from its own market participants. Third, we find that the proposed Tariff revisions will require that CAISO treat as confidential any credit-related information received from other RTOs/ISOs as it would any other credit-related information received directly from one of its own market participants.

The Commission orders:

CAISO's proposed Tariff revisions are hereby accepted, effective July 26, 2024, as discussed in the body of this order.

By the Commission. Commissioner See is not participating.
Commissioner Chang is not participating.

(S E A L)

Debbie-Anne A. Reese,
Acting Secretary.

No. 895 compliance filings, which is the day after the issuance date of our orders accepting these compliance filings. Commission staff will reset the effective date for the tariff record in eTariff to July 26, 2024. *See, e.g., Duke Energy Carolinas, LLC*, 182 FERC ¶ 61,119, at P 9 n.15 (2023).

¹⁴ Order No. 895, 183 FERC ¶ 61,193 at PP 19-20.

¹⁵ 18 C.F.R. § 35.47(h) (2023); Order No. 895, 183 FERC ¶ 61,193 at P 20.