

188 FERC ¶ 61,013  
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. ER23-2510-002

ORDER GRANTING WAIVER REQUEST

(Issued July 8, 2024)

1. On April 12, 2024, pursuant to Rule 207 of the Commission's Rules of Practice and Procedure,<sup>1</sup> the California Independent System Operator Corporation (CAISO) submitted a request for waiver of sections 23.8.1, 23.8.2, and 23.8.3 of its Open Access Transmission Tariff (Tariff), which provide for the resale or assignment of monthly Wheeling Through Priority.<sup>2</sup> CAISO states that waiver will provide it additional time to modify various software systems to ensure that its systems recognize the assignment of monthly Wheeling Through Priority and correctly process financial settlements. As discussed below, we grant CAISO's waiver request, effective from the date of this order through December 17, 2024.

**I. Background**

2. On October 30, 2023, the Commission accepted, subject to condition, CAISO's proposal to implement a framework for external load serving entities to obtain in advance, on a monthly and daily basis, Wheeling Through self-schedule priorities equal to the scheduling priority of CAISO demand, as well as related updates to CAISO's

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<sup>1</sup> 18 C.F.R. § 385.207 (2023).

<sup>2</sup> CAISO, CAISO eTariff, § 23.8 (Sale or Assignment of a Wheeling Through Priority) (0.0.0), § 23.8.1 (Procedures for Reselling a Monthly Wheeling Through Priority) (0.0.0); *id.* 23.8.2 (Info on Assignment or Transfer of Wheeling Through Priority) (0.0.0); *id.* 23.8.3 (Resales or Transfers of Capacity by TOR & ETC Rights Holder) (0.0.0). Capitalized terms used but not otherwise defined in this order have the meanings ascribed to them in the Tariff.

calculation of available transfer capability to include a set aside for native load.<sup>3</sup> CAISO states that section 23.8 of those Tariff provisions allows holders of a monthly Wheeling Through Priority to resell or assign the priority to a third party for the month or remainder of the month or term of the priority. The purchaser or assignee of the Wheeling Through Priority will then receive the same scheduling priority as the reseller at the same scheduling points of import into and export out of the CAISO balancing authority area.<sup>4</sup>

3. CAISO states that work is underway to implement the overall Wheeling Through Priority framework and that it has administered manual request windows, starting in January 2024, and has awarded monthly Wheeling Through Priority for the months of June, July, August, and September 2024. However, CAISO explains that, in order to implement the Tariff provisions governing resale or assignment of monthly Wheeling Through Priority through an automated process, CAISO needs to modify various software systems to ensure that its systems recognize the assignment of monthly Wheeling Through Priority and correctly process financial settlements. CAISO states that it is in the process of finalizing requirements and design documentation for these modifications and is also working with an external vendor on functionality to incorporate necessary information submitted by Wheeling Through Priority resellers. CAISO states that, once this work is complete, it will create and execute test cases and provide an opportunity for customers to test the new functionality through a market simulation. Finally, CAISO states that it will undertake a comprehensive review of the documentation and simulation results to verify readiness before moving software into production. Thus, CAISO contends that it requires additional time to ensure a successful deployment.<sup>5</sup>

## II. Waiver Request

4. CAISO states that, at present, it anticipates completing the activities necessary to implement the resale and assignment feature in the third quarter of 2024 but, out of an abundance of caution, requests waiver of Tariff sections 23.8.1, 23.8.2, and 23.8.3 through December 17, 2024.<sup>6</sup> CAISO argues that its waiver request satisfies the Commission's criteria for granting waiver.

5. First, CAISO asserts that it acted in good faith in submitting its waiver request. CAISO states that, since filing the Tariff revisions in July 2023, it has worked to

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<sup>3</sup> *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,085 (2023).

<sup>4</sup> Waiver Request at 3.

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

<sup>6</sup> *Id.* at 5.

implement the Wheeling Through Priority design, the majority of CAISO's design will be automated in advance of June 1, 2024, and CAISO has already administered request windows and awarded monthly Wheeling Through Priority for the summer months of 2024. However, CAISO asserts that it recently determined that it would not be ready to automate the resale and assignment Tariff provisions until the third quarter of 2024.<sup>7</sup>

6. Second, CAISO contends that the waiver request is limited in scope because waiver would extend only to the resale and assignment provisions of the Wheeling Through Priority framework and would be effective until no later than December 17, 2024.<sup>8</sup>

7. Third, CAISO explains that the requested waiver would remedy a concrete problem. Specifically, CAISO asserts that challenges and delays have made implementation by June 1, 2024, when the first awards of monthly Wheeling Through Priority take effect, infeasible, and that CAISO needs additional time to implement the necessary systems modifications to automate the resale and assignment provisions of its Wheeling Through Priority design.<sup>9</sup>

8. Finally, CAISO argues that the waiver would not have undesirable consequences because no entity that has received Wheeling Through Priority has sought to use the resale or assignment options. Further, CAISO states that, if the need arises, the Tariff provides alternative processes for addressing Wheeling Through Priority that is no longer needed. Specifically, CAISO states that the holder can release the priority, subject to applicable notice requirements, without charge or can apply its monthly Wheeling Through Priority to a replacement contract.<sup>10</sup>

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<sup>7</sup> *Id.* at 5-6.

<sup>8</sup> *Id.* at 6.

<sup>9</sup> *Id.* at 6-7.

<sup>10</sup> *Id.* at 7 (citing CAISO, CAISO eTariff, § 23.2.3 (Termination or Modification of a Firm Power Supply Agreement) (0.0.0)).

In addition, CAISO notes that no scheduling coordinator has requested monthly Wheeling Through Priority for the months of October, November, or December 2024. Therefore, CAISO asserts that granting it additional time through December 17, 2024 to address implementation issues should not adversely affect any scheduling coordinator.<sup>11</sup>

### **III. Notice and Responsive Pleadings**

9. Notice of CAISO's waiver request was published in the *Federal Register*, 89 Fed. Reg. 27,754 (Apr. 18, 2023), with interventions and protests due on or before May 3, 2024. None was filed.

### **IV. Discussion**

10. We grant CAISO's request for waiver of Tariff sections 23.8.1, 23.8.2, and 23.8.3, effective from the date of this order through December 17, 2024. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.<sup>12</sup> We find that the circumstances of CAISO's waiver request satisfy these criteria.

11. First, we find that CAISO has acted in good faith. CAISO submitted this waiver request in a timely manner after it recently determined that it would not be ready to automate the resale and assignment Tariff provisions until the third quarter of 2024. Second, we find that the waiver request is limited in scope because it applies to only the monthly Wheeling Through Priority resale and assignment Tariff provisions and will be effective only through December 17, 2024. Third, we find that the requested waiver addresses a concrete problem. CAISO states that, currently, it cannot automate the resale and assignment provisions, and waiver will provide CAISO additional time to implement the necessary software upgrades, which CAISO does not expect to be able to do until at least the third quarter of 2024.<sup>13</sup> Finally, we find that the requested waiver will not have undesirable consequences, such as harming third parties, because, as CAISO explains, no scheduling coordinator that has been awarded monthly Wheeling Through Priority has

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<sup>11</sup> *Id.*

<sup>12</sup> See, e.g., *Citizens Sunrise Transmission LLC*, 171 FERC ¶ 61,106, at P 10 (2020); *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016).

<sup>13</sup> Waiver Request at 6-7.

sought to resell or assign that priority and because the Tariff provides alternative processes for addressing monthly Wheeling Through Priority that is no longer needed.<sup>14</sup>

The Commission orders:

CAISO's waiver request is hereby granted, as discussed in the body of this order.

By the Commission. Commissioner See is not participating.

( S E A L )

Debbie-Anne A. Reese,  
Acting Secretary.

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<sup>14</sup> *Id.* at 7.