



March 15, 2023

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER22-906-____
Quarterly Informational Report Regarding Transmission
Service and Market Scheduling Priorities Stakeholder Process**

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO) hereby submits its quarterly report regarding the CAISO's Transmission Service and Market Scheduling Priorities stakeholder initiative as directed by the Commission's March 15, 2022 Order in the above-referenced docket.

Please contact the undersigned with any questions.

Respectfully submitted,

By: /s/ Andrew Ulmer

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California ISO

**Quarterly Informational Report (Docket No. ER22-906)
Status of Transmission Service and Market Scheduling
Priorities Stakeholder Process**

March 15, 2024

On March 15, 2022, the Federal Energy Regulatory Commission (Commission) issued an order¹ extending until June 1, 2024 the California Independent System Operator Corporation's (CAISO) tariff provisions regarding the scheduling priorities for wheeling through transactions. The Commission initially approved such tariff provisions on an interim basis -- until June 1, 2022 -- in an order issued on June 25, 2021 in Docket No. ER21-1790.² In its March 15, 2022 Order, the Commission also directed the CAISO to file quarterly informational reports to update the Commission on the CAISO's efforts toward developing successor rules delineating rights for wheeling through transactions across the CAISO grid. The Commission stated that the CAISO must file the reports beginning three months after the March 15 Order and every three months thereafter until the CAISO files a long-term solution with the Commission. The Commission also stated that such reports should describe any long-term alternative solutions under consideration in the stakeholder process, explain any potential impediments to implementing any particular solution, and provide an updated schedule for finalizing a proposal. This is the CAISO's eighth report to the Commission.

Transmission Service and Market Scheduling Priorities Stakeholder Process

On July 28, 2023, the CAISO filed tariff revisions arising from Phase 2, Track 1 of its Transmission Service and Market Scheduling Priorities stakeholder process (July 28 Filing). The tariff revisions would (1) implement a durable framework for external load serving entities and suppliers serving them to obtain in advance, on a monthly and daily basis, Wheeling Through self-schedule priorities equal to the scheduling priority of CAISO demand, and (2) update the CAISO's calculation of Available Transfer Capability (ATC). The proposed tariff revisions would replace the interim Wheeling Through tariff provisions that expire June 1, 2024. On October 30, 2023, the Commission issued an order accepting the CAISO's tariff revisions in the July 28 Filing to implement a framework for external entities to obtain, in advance, on a monthly and daily basis, wheeling through scheduling priorities equal to the scheduling priority of CAISO demand (wheeling through priority), as well as related updates to CAISO's calculation of Available Transfer Capability (ATC).³ Subsequently, on November 29, 2023, the CAISO submitted a compliance filing as directed by the Commission's October 30, 2023 Order.

The CAISO has launched efforts to implement the tariff revisions that take effect on June 1, 2024 through the publication of monthly available transfer capacity (ATC) values and opening monthly request windows to enable the reservation of ATC and establishment of Wheeling Through self-schedule priorities for June 2024 and beyond. The CAISO intends to implement new functionality in April 2024 to support the automation of requests for monthly ATC as well as the calculation of and requests for daily ATC starting June 1,

¹ *Cal. Indep. Sys. Operator Corp.*, 178 FERC ¶ 61,181 (2022) (March 15 Order).

² *Cal. Indep. Sys. Operator Corp.*, 175 FERC ¶ 61, 245 (2021). This order approved a tariff amendment filed by the CAISO on April 28, 2021 (April 28 Tariff Amendment).

³ *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,085 (2023) (October 30, 2023 Order)

2024. The CAISO is holding a market simulation during March 2024 for requesting monthly ATC. The CAISO intends to hold a market simulation in April 2024 for requesting daily ATC. During the market simulation, market participants can familiarize themselves with the functionality prior to launch.

In Track 2 of Phase 2 of the Transmission Service and Market Scheduling Priorities stakeholder process, the CAISO proposed to develop a new process whereby entities seeking to establish wheeling through scheduling priority in annual increments, for one year or longer, commencing beyond the 13-month rolling horizon in which the CAISO proposes to calculate ATC pursuant to the July 28 Filing can submit a request for a study. The CAISO conducted a stakeholder process to develop tariff language to effect these changes. Under its draft tariff revisions, the CAISO would study such requests in a cluster with other like requests and generator interconnection requests, leveraging the deliverability processes under the Generator Interconnection and Deliverability Allocation Procedures (GIDAP).⁴ If a transmission upgrade is needed to accommodate service, the entity submitting the request would be able to fund the transmission upgrade and receive a wheeling through scheduling priority equal to load on a long-term basis. At this time, the CAISO does not have a target filing date for these tariff revisions.

⁴ CAISO Business Practice Manual, *Generator Interconnection and Deliverability Allocation Procedures*, 2022.

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the above-referenced proceeding, 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 15th day of March, 2023.

/s/ Jacqueline Meredith
Jacqueline Meredith