197 FERC ¶ 61,127
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

California Independent System Operator Corporation Docket No. ER27-230-000

ORDER GRANTING WAIVER REQUEST

(Issued November 20, 2026)

1. On October 21, 2026, pursuant to Rule 207 of the Commission's Rules of Practice and Procedure,[1] the California Independent System Operator Corporation (CAISO) filed a request for waiver of section 11.29.8.2(b)(v) of its Open Access Transmission Tariff (Tariff),[2] which requires scheduling coordinators to dispute a CAISO settlement statement within 22 business days of that statement's issuance. CAISO requests waiver to allow CAISO to extend the deadline to dispute the recalculation settlement statements issued 70 business days after the trading day (T+70B Recalculation Settlement Statement) for certain trading days, to December 24, 2026. As discussed below, we grant CAISO's waiver request.

I. Background

2. CAISO states that it financially settles its markets through an iterative process that includes an initial settlement statement followed by several subsequent recalculation settlement statements. CAISO states that the T+70B Recalculation Settlement Statement is the only recalculation settlement statement published in the ordinary course of business. CAISO states that other types of recalculation settlement statements are optional and only issued when necessary to adjust the T+70B Recalculation Settlement Statement. CAISO further states that scheduling coordinators are responsible for validating their settlement statements and submitting a dispute if they believe the statement has an error, and they have 22 business days to dispute a settlement statement. CAISO explains that a scheduling coordinator that does not submit a timely dispute is deemed to have validated the statement, and that scheduling coordinators generally

[1] 18 C.F.R. § 385.207 (2025).

[2] CAISO, CAISO eTariff, § 11.29.8 (Confirmation and Validation) (9.0.0), § 11.29.8.2(b)(v).

validate their statements using shadow settlement systems supplied by third-party software vendors.[3]

3. CAISO states that, on May 1, 2026, it implemented the Extended Day-Ahead Market (EDAM) and Day-Ahead Market Enhancements (DAME), which introduced 28 new settlement charge codes and pre-calculations. CAISO explains that, although it and market participants engaged in extensive validation and market simulation before implementation, issues were identified after implementation and required four settlement software patches. CAISO states that these software patches occurred in May 2026 and early July 2026. CAISO states that multiple scheduling coordinators advised CAISO that the volume and pace of those changes made it infeasible for their vendors to update shadow settlement systems before the 92 business days after the trading day (T+92B) dispute deadlines for the initial T+70B Recalculation Settlement Statements passed.[4]

4. On July 7, 2026, CAISO requested waiver of section 11.29.8.2(b)(v) of the Tariff to allow an extension of the deadline to dispute T+70B Recalculation Settlement Statements for the trading days May 1, 2026 through June 30, 2026, to December 24, 2026.[5] In response to commenters' concerns that the temporary extension as requested by CAISO might not be sufficient to resolve the identified issue with CAISO's settlement code, CAISO committed to publicly post a status report by September 30, 2026.[6] On August 25, 2026, the Commission granted the waiver request, noting CAISO's commitment to publicly post a status report.[7]

5. CAISO states that, after the Commission granted the initial waiver request, CAISO continued to engage with market participants on EDAM/DAME settlement issues at each Settlement User Group meeting and through periodic postings of an EDAM issue list.[8] CAISO states that, on September 30, 2026, it publicly posted an informational

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[3] Waiver Request at 2-3.

[4] *Id*.

[5] *Cal. Indep. Sys. Operator Corp.*, Petition for Limited Waiver, Docket No. ER26-3104-000, at 1, 6-7 (filed July 7, 2026).

[6] *Cal. Indep. Sys. Operator Corp.*, CAISO Answer, Docket No. ER26-3104-000, at 2-3 (filed Aug. 4, 2026).

[7] *Cal. Indep. Sys. Operator Corp.*, 196 FERC ¶ 61,156, at P 20 (2026) (Waiver Order).

[8] Waiver Request at 5 & n.14 (citing Meetings Materials for the Settlements User Group, https://www.caiso.com/meetings-events/topics/settlement-user-group; CAISO September 30 status report, https://www.caiso.com/documents/status-update-on-edam-

status report.[9] According to CAISO, the report explained that additional settlement configuration defects did not require remediation beyond those already addressed or scheduled for correction, although several upstream system issues, processing exceptions, and reporting enhancement requests remained under evaluation. CAISO states that the report further explained that CAISO's September 29, 2026 settlement release was the latest step in addressing identified settlement variances, with an additional release possible in the fourth quarter of 2026 if further corrective action were to prove necessary. Moreover, CAISO states that the report provided that many participants had implemented changes from recent settlement releases and were fully or nearly prepared to conduct settlement reconciliation and dispute review. CAISO notes that the report also indicated that CAISO did not originally anticipate needing to extend the December 24, 2026 deadline for the May 2026 and June 2026 trading days, but that, based on consultations with market participants, CAISO would seek an additional waiver extending the deadline to dispute T+70B Recalculation Settlement Statements for the July 2026 trading days to December 24, 2026.

II. Waiver Request

6. CAISO requests waiver of the requirement in section 11.29.8.2(b)(v) of the Tariff that scheduling coordinators dispute a CAISO settlement statement within 22 business days from the calendar date CAISO issues it. Specifically, CAISO requests that the waiver run from November 10, 2026 through December 24, 2026 and apply only to T+70B Recalculation Settlement Statements issued for the July 1, 2026 through July 31, 2026 trading days, such that all disputes of those statements would be due by December 24, 2026, the same deadline to dispute T+70 Recalculation Settlement Statements issued for the May and June 2026 trading days established in the Waiver Order.[10] CAISO states that December 24, 2026 would serve only as a deadline, and CAISO encourages scheduling coordinators to submit disputes as they identify the need so that CAISO staff can process disputes in an orderly way and avoid a large number of disputes being submitted on a single day.[11]

7. CAISO asserts that, without a waiver, the dispute deadlines for the July 2026 trading days would fall on calendar dates before December 24, 2026—the current dispute deadline for July 1, 2026 T+70B Recalculation Settlement Statements is November 10, 2026 and the current dispute deadline for July 31, 2026 T+70B Recalculation Settlement

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and-dame-settlement-dispute-deadline-waiver.pdf).

[9] Waiver Request at 5.

[10] *Id.* at 7.

[11] *Id.* at 8.

Statements is December 11, 2026.[12] CAISO states that, when the first of these deadlines arrives, scheduling coordinators will still be reviewing the T+70B Recalculation Settlement Statements for the 61 trading days in May 2026 and June 2026 covered by the initial waiver, and would have to prioritize the July 2026 statements ahead of the May 2026 and June 2026 statements simply because the July 2026 Tariff deadlines fall first. CAISO emphasizes that the May 2026 and June 2026 statements cover the earliest period of EDAM/DAME operation and the period affected by the settlement software patches and therefore are likely to require more attention than the July 2026 statements.[13]

8. CAISO contends that aligning the July 2026 deadlines with the December 24, 2026 deadline established in the Waiver Order would provide a more orderly review period and preserve the benefit of the additional review time the Commission granted in the Waiver Order.[14] CAISO adds that some T+70B Recalculation Settlement Statements dispute deadlines for August 2026 trading days also fall before December 24, 2026, but CAISO is not requesting waiver for those August 2026 trading days because it expects scheduling coordinators to have substantially completed their review of the May 2026 and June 2026 trading days by mid-December 2026.

9. CAISO argues that its waiver request satisfies the Commission's criteria for granting waiver. First, CAISO states that it and its market participants have acted in good faith. CAISO states that, after the Commission granted the initial waiver, CAISO continued to engage with market participants through Settlement User Group meetings and periodic postings of its EDAM issue list, and that, as committed in the initial waiver proceeding, it publicly posted a status report by September 30, 2026 that identified the need for the instant additional waiver.[15] CAISO also argues that it acted in good faith by filing the instant waiver request before the first affected dispute deadline of November 10, 2026, and that many scheduling coordinators have already implemented the changes from recent settlement releases.

10. Second, CAISO asserts that the requested waiver is limited in scope because it covers only one month of trading days and applies only to one of potentially five settlement statements issued for each of the 31 trading days covered by the waiver.[16]

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[12] *Id.* at 6 (citing 2026 ISO settlements calendar, https://www.caiso.com/documents/california-iso-payments-calendar-2026.pdf).

[13] *Id*.

[14] *Id.*

[15] *Id.* at 9.

[16] *Id.* at 9-10.

CAISO affirms that no other relevant deadlines based on the dispute deadlines would be waived. CAISO further states that the waiver would not impact the dispute deadlines for any other settlement statements issued for trading days in July 2026. CAISO also states that waiver would not impact dispute deadlines falling on calendar days from November 10, 2026 through December 24, 2026 for settlement statements that are not T+70B Recalculation Settlement Statements for the July 2026 trading days. CAISO states that it does not seek to extend the December 24, 2026 deadline for the May 2026 and June 2026 trading days, nor does it request similar relief for August 2026 trading days.

11. Third, CAISO asserts that the waiver addresses a concrete problem because, without the requested waiver, scheduling coordinators would have to focus on reviewing, and potentially disputing, the July 2026 settlement statements while they are still validating the May 2026 and June 2026 statements covered by the initial waiver.[17] CAISO contends that this sequencing would undercut the purpose of the initial waiver, which was to give market participants a full and fair opportunity to review and dispute settlements for the first months of EDAM/DAME. Additionally, CAISO argues if scheduling coordinators had to divert resources to reviewing the July 2026 statements, they might be less able to identify errors in the May 2026 and June 2026 statements and those errors could result in overcharges or undercharges which could harm individual participants or the market overall.

12. Lastly, CAISO asserts that delaying the deadlines requested in the waiver would not have undesirable consequences or harm any party's interests.[18] CAISO states that all members of CAISO's market participant community share a common stake in correct market settlements. CAISO argues that the requested waiver promotes this shared interest by allowing an orderly review period in which scheduling coordinators can finish validating the May 2026 and June 2026 settlement statements before turning to the July 2026 settlement statements. CAISO further explains that, because the waiver aligns the July 2026 deadlines with a deadline the Commission has already approved, it adds no new deadline structure for market participants to track and creates a single dispute deadline for the T+70B Recalculation Settlement Statements from the first three months of EDAM/DAME.

III. Notice and Responsive Pleadings

13. Notice of CAISO's filing was published in the *Federal Register*, 91 Fed. Reg. 67310 (Oct. 26, 2026), with interventions and protests due on or before November 12, 2026. Timely motions to intervene were filed by Cities of Anaheim, Azusa, Banning,

[17] *Id.* at 10.

[18] *Id.* at 11.

Colton, Pasadena, and Riverside, California and Utah Associated Municipal Power Systems.

IV. Discussion

A. Procedural Matters

14. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

15. We grant CAISO's request for waiver of section 11.29.8.2(b)(v) of the Tariff to extend the deadline to dispute the T+70B Recalculation Settlement Statements issued for the trading days July 1, 2026 through July 31, 2026, to December 24, 2026. 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.[19] We find that the circumstances of CAISO's waiver request satisfy these criteria.

16. First, we find that CAISO acted in good faith in continuing to engage with market participants throughout the initial waiver period and publicly posting a status report by September 30, 2026. CAISO asserts that, after consultation with market participants, it identified the need for this additional, narrowly tailored relief, which will align the July 2026 deadlines with the December 24, 2026 deadline for the May 2026 and June 2026 trading days established in the Waiver Order to provide a more orderly review period.[20]

17. Second, we find that CAISO's waiver request is limited in scope because it concerns only one month of trading days and applies only to the T+70B Recalculation Settlement Statements. In addition, the requested waiver would not impact the dispute deadlines for other settlement statements issued for the July 2026 trading days, or for settlement statements with dispute deadlines falling on calendar days November 10, 2026

[19] *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).

[20] Waiver Request at 5-6.

through December 24, 2026 that are not T+70B Recalculation Settlement Statements for the July 2026 trading days.[21]

18. Third, we find that granting waiver addresses a concrete problem. Absent waiver, the dispute deadlines for the T+70B Recalculation Settlement Statements for the July 2026 trading days would fall between November 10, 2026 and December 11, 2026, before the December 24, 2026 deadline for the May 2026 and June 2026 trading days. CAISO explains that scheduling coordinators would then be required to prioritize review of the July 2026 statements over the May 2026 and June 2026 statements, which cover the earliest period of EDAM/DAME operation and the period affected by the settlement software patches.[22] CAISO asserts that this sequencing would undermine the purpose of the initial waiver granted in the Waiver Order, which is to provide market participants a full and fair opportunity to validate, and potentially dispute, their settlement statements for the initial months of EDAM/DAME, and could result in settlement errors going undetected.

19. Fourth, we find that granting the waiver will not have undesirable consequences, such as harming third parties. CAISO contends that delaying the deadlines requested in the waiver would not have undesirable consequences or harm any party's interests, stating that all members of CAISO's market participant community share a common stake in correct market settlements.[23] We note CAISO's statement that scheduling coordinators may submit disputes as they identify the need, which should help avoid a large volume of disputes being submitted on the December 24, 2026 deadline.[24]

The Commission orders:

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

By the Commission.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

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[21] *Id.* at 9-10.

[22] *Id.* at 6-7, 10.

[23] *Id.* at 11.

[24] *Id.* at 8.