

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

**California Independent System
Operator Corporation**

Docket No. ER22-2362-_____

**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION FOR EXTENSION OF TIME**

I. Introduction

Pursuant to Rules 212 and 2008(a) of the Federal Energy Regulatory Commission's (Commission) Rules of Practice and Procedure,¹ the California Independent System Operator Corporation (CAISO) submits this motion to request a further extension of time to comply with Order No. 881 adopted by the Commission to improve the accuracy and transparency of electric transmission line ratings.² Specifically, the CAISO requests an extension of time to implement its Order No. 881 tariff provisions up to and including December 16, 2027, subject to the CAISO filing a notice with the Commission seven days before the actual effective date. This extension will provide the CAISO with the time necessary to undertake required integration testing of software code it has yet to receive from its vendor to implement Order No. 881 and undertake pre-production activities, including a market simulation. The CAISO is targeting a go-live production date in the third quarter of 2027 for its market systems to

¹ 18 C.F.R. §§ 385.212 and 385.2008(a).

² *Managing Transmission Line Ratings* 177 FERC ¶ 61,179 (2021); *Order Addressing Arguments Raised on Rehearing and Clarification*, 179 FERC ¶ 61,125 (Order No. 881-A) (2022). The CAISO refers to these orders in this motion collectively as Order No. 881.

integrate ratings required by Order No. 881 but requests additional time out of an abundance of caution in case additional implementation delays arise. The CAISO also requests an extension of time up to and including December 16, 2027, for CAISO participating transmission owners to implement their requirements under Order No. 881 or for public utility transmission providers in the Extended Day Ahead Market (EDAM) and Western Energy Imbalance Market (WEIM) to submit ratings for use in the day-ahead and real-time markets administered by the CAISO. This additional time should help support the CAISO effect an orderly integration of ratings into its markets once the CAISO's systems are in place to integrate them into the day-ahead and real-time markets.

Previously, the Commission accepted a request by the CAISO for an extension of time up to and including December 17, 2026 to implement Order No. 881 as well as an extension of time until October 15, 2027 for the CAISO's participating transmission owners to implement their requirements under Order No. 881 or for public utility transmission providers in EDAM and WEIM to submit ratings for use in the day-ahead and real-time markets administered by the CAISO.³ The additional time the CAISO requests in this motion will provide participating transmission owners, EDAM entities, and WEIM entities with opportunity to participate in implementation activities next Spring, including a market simulation once the CAISO deployed and tested the systems, software and business rules necessary to integrate transmission ratings

³ *California Independent System Operator Corp.*, 191 FERC ¶ 61,095 (2025).

contemplated by Order No. 881.⁴ The extension will also provide these entities with additional time to ensure their own systems and business processes are in place before they begin formal submission of ratings pursuant to Order No. 881 for use in markets administered by the CAISO. Consistent with the Commission's prior directives, the CAISO will submit an informational report in January 2027 to report on the status of its implementation activities and the milestones to implement Order No. 881.⁵ The CAISO will also submit an informational report in January 2028 on the status of overall implementation of Order No. 881 in the markets the CAISO administers.

II. Background

Order No. 881 establishes requirements for public utility transmission providers to use ambient adjusted ratings and seasonal ratings in connection with transmission service they offer. In markets administered by regional transmission organizations (RTOs) and independent system operators (ISOs), Order No. 881 requires RTOs/ISOs to implement systems and procedures necessary to allow transmission owners to update transmission line ratings electronically at least hourly. Transmission providers must use uniquely determined emergency ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints and implement specific transparency reforms.

⁴ If necessary, the CAISO will inform the Commission and seek additional relief if any of its participating transmission owners cannot adhere to the requirements of Order No. 881 by December 16, 2027.

⁵ As part of an earlier extension of time granted to the CAISO to implement Order No. 881, the Commission accepted the CAISO's commitment to submit informational reports no later than January 28, 2027 and January 28, 2028 to detail the status of Order No. 881 implementation in its balancing authority area as well as in the EDAM and WEIM. *California Independent System Operator Corp.*, 191 FERC ¶ 61,095 (2025) at P 11. The CAISO will still submit these implementation reports as described in Section IV of this motion.

In addition to the functions it performs within its balancing authority area, the CAISO serves as the market operator for the EDAM and the WEIM, which provides day-ahead and real-time market services to participants throughout the Western Interconnection. Implementing Order No. 881 includes integrating hourly transmission line ratings into these markets. Each transmission owner submitting ratings to the CAISO will need to access and validate new rating information to confirm it is accurate, verifiable, and validated such that it can be relied upon for the conduct of market transactions.⁶

The CAISO submitted a filing in July 2022 that proposed tariff revisions to comply with Order No. 881. The Commission accepted the CAISO's Order No. 881 compliance filing, subject to further compliance.⁷ In June 2023, the CAISO submitted a filing in further compliance with Order No. 881, which the Commission accepted.⁸ The Commission accepted the CAISO's proposal to make its Order No. 881 tariff revisions effective no later than June 15, 2025, subject to filing a notice of the actual effective date of the tariff revisions within five business days of their implementation. On February 6, 2025, the CAISO submitted a supplemental compliance filing to further clarify its Order No. 881 tariff, which the Commission accepted.⁹

⁶ In its Order No. 881 tariff accepted by the Commission, the CAISO established requirements that Participating Transmission Owners, EDAM Entities, and WEIM Entities validate Ambient Adjusted Ratings, Dynamic Line Ratings, or alternative ratings.

⁷ *California Independent System Operator Corp.*, 183 FERC ¶ 61,037 (2023).

⁸ See Letter order issued December 13, 2023 in docket ER22-2632-001.

⁹ See Letter order issued April 30, 2025 in docket ER25-1236. These tariff revisions clarify or change rules regarding (1) communication protocols for the submission of transmission line ratings for use in the day-ahead and real-time markets; (2) access to ratings used in the markets as well as participating transmission owners' transmission line rating methodologies; (3) the timing of when entities must submit ratings in advance of the day-ahead and real-time market; (4) use of hourly and seasonal

Separately, on January 27, 2025, the CAISO filed a motion or extension of time from June 15, 2025 until December 17, 2026 to implement the requirements of Order Nos. 881, which the Commission granted.¹⁰ In support of its motion, the CAISO explained it required more time because of the schedule for development efforts and the scheduled delivery of tools and software code from the CAISO's external vendors. Unfortunately, the CAISO finds itself in the position of having to request additional time.

The CAISO has made progress in its implementation efforts including developing the capability to consume hourly ratings via Inter Control Center Protocol (ICCP) into its Energy Management system, which the CAISO can do today. Ratings received via ICCP can trigger alarms if the CAISO or the relevant transmission provider observes violations of facility limits and inform real-time contingency analyses. The CAISO has also deployed its webLineR application to accept and store hourly ratings. This application will support the submission to the CAISO of transmission line rating methodologies, seasonal ratings, emergency ratings, and hourly ratings consistent with the requirements of Order No. 881. The CAISO will use ratings submitted to this application in its day-ahead and real-time markets. The application will also serve as a repository to allow market participants and non-market participants access to the ratings utilized by the day-ahead and real-time markets. The webLineR tool is functional and capable of receiving and storing transmissions line ratings and transmission line ratings

ratings, if hourly ratings become unavailable; and (5) recognizing EDAM entities will submit hourly ratings for use in the day-ahead and real-time markets.

¹⁰ *California Independent System Operator Corp.*, 191 FERC ¶ 61,095 (2025).

methodologies consistent with the requirements of Order No. 881. The CAISO has made it available to users for testing and validation.

However, the CAISO is still developing the software code necessary to integrate hourly ratings into the CAISO market and reliability applications. This effort has faced delay largely arising from the concurrent effort of the CAISO and its market software vendor to move day-ahead market enhancements and EDAM into production, which required the expertise and capacity of the same resources required to develop and deliver software code to implement Order No. 881. Important to the relief requested in this motion, the day-ahead market enhancements and the deployment of EDAM support the optimized use of transmission across a broad footprint in the Western Interconnection. This market functionality is already supporting economic transfers of energy, imbalance reserves, and reliability capacity in the day ahead timeframe. In furtherance of the policy objectives underlying Order No. 881, EDAM offers the ability to enhance optimal use of existing transmission. The CAISO and its vendor had hoped to implement Order No. 881 simultaneously with the launch of the day-ahead market enhancements and EDAM, but that effort proved too large a lift for our respective teams.

The additional time requested in this motion will support integration testing of software code to ensure the proposed changes function properly. The additional time will also allow the CAISO and market participants to validate whether market systems are functioning as expected through a market simulation. Once testing and market simulation efforts are complete, the CAISO must then deploy any necessary tools and software into production. As part of this effort, the CAISO will conduct various tests to

ensure deployment does not create system problems. For these reasons, the CAISO seeks additional time to implement its Order No. 881 tariff.

III. Request for Relief and Argument

The CAISO requests: (1) an extension of time to implement its Order No. 881 tariff provisions up to and including December 16, 2027, subject to the CAISO filing a notice with the Commission 7 days before the actual effective date. The Commission should grant this motion because good cause exists to do so.¹¹ Based on current internal development efforts and the scheduled delivery of software code from the CAISO's external vendor, implementation of Order No. 881 in December 2026 is not possible. Currently, the CAISO anticipates receiving delivery of software code necessary to support Order No. 881 across its systems by mid-January 2027 and then perform factory acceptance testing with its vendor through the end of February. These testing activities will occur in an environment that simulates the CAISO's production architecture. Thereafter, the CAISO will perform system acceptance testing again within a production-like environment. After completing these testing procedures, the CAISO will use its market access program stage to ensure new market software interfaces with critical CAISO applications. Following testing, the CAISO will orchestrate a market simulation within its market access program stage environment before undertaking final go-live deployment activities with a target go-live date in the third quarter of 2027.

The software code for Order No. 881 will affect the network model used to define system parameters, pricing nodes, and market scheduling limits as well as multiple

¹¹ 18 C.F.R. § 385.2008(a).

network applications supporting the CAISO's market processes and reliability applications. For this reason, the CAISO and its vendor must methodically undertake testing. The CAISO and market participants need to conduct a thorough a market simulation to confirm modeled outcomes reflect expected results. This motion requests additional time for compliance until December 16, 2027, in case the CAISO, its vendor, and market participants encounter unforeseen issues through integration testing, market simulation, and go-live activities.

For market design changes requiring software enhancements such as Order No. 881, the CAISO's testing phase will evaluate the completeness and quality of the delivered software solution. These testing activities will apply to both enhancements to various applications as well as software to support the market optimization. Together, the CAISO and its vendor will need to determine if the software product meets the business and system requirements the CAISO identified during the requirements and design phases as well as how the software performs with the integration of downstream applications.

Completing a market simulation will allow the CAISO and market participants to assess Order No. 881 functionality in the market application and optimization as well as market participants' interfaces with the CAISO's systems. This exercise will provide valuable data for all market participants and support testing and coordination with other reliability coordinators operating in the Western Interconnection. The CAISO currently plans to initiate a market simulation during June 2027. As part of this effort, the CAISO intends to run structured scenarios, which will allow the market participants to see end-to-end functionality of how the market systems integrate line ratings pursuant to Order

No. 881. Market participants may use market simulation as an opportunity to collect data and validate their expectations on the submission and use of line ratings as well as transparency of the rating sued by the market.

Once market simulation is complete, the CAISO will proceed with deployment. This phase consists of bringing the market enhancement from integration testing and simulation into production. As part of this process, the CAISO will conduct tests to ensure quality control of the new software. This due diligence is necessary to minimize the risk of a problem when the CAISO moves the new functionality into production.

The CAISO is targeting completion of these implementation steps during the first half of the third quarter of 2027, but requests an extension until December 16, 2027 out of an abundance of caution in case it encounters unforeseen implementation issues and delays. Granting this motion will allow for additional time necessary to develop and test tools the CAISO and market participants will use to integrate hourly transmission line ratings into market processes as well as store and make transmission line ratings available consistent with the requirements of Order No. 881. The Commission has granted extensions of time for other transmission providers to comply with Order No. 881 to allow them to coordinate other planned work and complete software upgrades necessary for Order No. 881 implementation.¹²

¹² *Sw. Power Pool, Inc.*, 196 FERC ¶ 61,151 (2026) (granting an extension until no later than April 1, 2027.) *Midcontinent Indep. Sys. Operator, Inc.*, 191 FERC ¶ 61,192 (2025) (granting an extension until no later than December 31, 2028.) *N.Y. Indep. Sys. Operator, Inc.*, 186 FERC ¶ 61,237 (2024) (granting an extension until no later than December 31, 2028).

IV. Informational Report

The CAISO recognizes the importance of transparency regarding implementation of the requirements of Order No. 881, both in the CAISO balancing authority area as well as in the broader markets the CAISO administers. Consistent with existing Commission directives,¹³ the CAISO commits to submitting informational reports no later than January 28, 2027 and January 28, 2028 to detail the status of Order No. 881 implementation in its balancing authority area as well as the WEIM and EDAM. In a January 2027 report, the CAISO will detail its progress and confirm the milestones for integration testing and market simulation as well as the target deployment date. In its January 2028 report, the CAISO will confirm the operating status of its tools and software for the submission of hourly ratings and integration of those ratings in its markets as well as any issues it has observed with the use of these ratings in its markets. In addition, the CAISO will confirm whether it is receiving ratings from its participating transmission owners as well as entities participating in the WEIM and EDAM.

V. Conclusion

The CAISO respectfully requests: (1) an extension of time to implement its Order No. 881 tariff provisions up to and including December 16, 2027, subject to the CAISO filing a notice with the Commission 7 days before the actual effective date. Granting this motion will allow the CAISO to coordinate necessary software deployment to support Order No. 881 implementation. The extension of time will also allow the CAISO to conduct a market simulation involving the use hourly of ambient adjusted ratings. The

¹³ *California Independent System Operator Corp.*, 191 FERC ¶ 61,095 (2025). .at P 11.

CAISO will target implementation in the third quarter of 2027 but requests additional time until December 16, 2027 out of an abundance of caution to address any additional delay that may arise during testing, market simulation, and go-live activities. The CAISO also requests an extension of time up to and including December 16, 2027, for CAISO participating transmission owners to implement their requirements under Order No. 881 or for public utility transmission providers in the EDAM and WEIM to submit ratings for use in the day-ahead and real-time markets administered by the CAISO. This addition time will support an orderly integration of ratings pursuant to Order No. 881 once the CAISO's software and systems are in place to integrate them into the day-ahead and real-time markets. The CAISO commits to submitting informational reports as described herein no later than January 28, 2027 and January 28, 2028.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, 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 on this 21st day of October 2026.

/s/ Ariana Rebancos
Ariana Rebancos