

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

**California Independent System)
Operator Corporation)** **Docket No. ER27-____-000**

**PETITION FOR LIMITED WAIVER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO) respectfully requests a limited waiver of CAISO tariff section 11.29.8.2(b)(v).¹ This section requires scheduling coordinators to dispute a CAISO settlement statement within 22 business days of that statement's issuance. The CAISO requests waiver of this requirement for recalculation settlement statements issued 70 business days after the trading day (T+70B) for trading days July 1, 2026 through July 31, 2026. The CAISO requests this waiver run from November 10, 2026 through December 24, 2026. The effect of granting this waiver would be that disputes for the T+70B recalculation settlement statements for the July 1, 2026 through July 31, 2026 trading days would all be due by December 24, 2026 (rather than 92 business days after the trading day).

¹ The CAISO files this petition for limited waiver pursuant to Rule 207 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.207. Capitalized terms not otherwise defined herein have the meanings set forth in the CAISO tariff.

This waiver is a necessary complement to the waiver the Commission granted in docket no. ER26-3104-000 on August 25, 2026.² The waiver approved in that prior docket provides a common T+70B dispute deadline of December 24 for trading days in May and June. The CAISO previously explained that waiver was necessary to ensure CAISO market participants have adequate opportunity to review and dispute the T+70B recalculation settlement statements issued for trading days in the initial two months of the CAISO's Extended Day-Ahead Market (EDAM) and Day-Ahead Market Enhancements (DAME).³ Without this new waiver, the dispute deadlines for July trade dates would fall before the temporary December 24 deadline created through docket no. ER26-3104-000. This timing would place CAISO market participants in the position of prioritizing review and potential dispute of July trades above May and June trade dates. Because settlement statements from trades dates in May and June are likely to require more attention than those from July, this outcome is undesirable and should be avoided.

I. Background

A. Waiver Request in Docket No. ER26-3104-000

The CAISO financially settles its markets through an iterative process that includes an initial settlement statement nine business days after the trading day

² Petition for Limited Waiver of the Cal. Indep. Sys. Operator Corp., Docket No. ER26-3104-000 (July 7, 2026) (July 7 Petition).

³ *Id.* at 1-2.

(T+9B), followed by a T+70B recalculation settlement statement and, when necessary, additional recalculation settlement statements at T+11M, T+21M, and T+24M.⁴ Scheduling coordinators are responsible for validating their settlement statements and must generally submit any dispute within 22 business days after a statement is issued.⁵ For example, the dispute deadline for the T+70B statement is 92 business days after the trade date (T+92B). A scheduling coordinator that does not submit a timely dispute is deemed to have validated the statement.⁶ Scheduling coordinators generally validate their statements using shadow settlement systems supplied by third-party software vendors.⁷

The CAISO implemented EDAM and DAME on May 1, 2026. The implementation introduced 28 new settlement charge codes and pre-calculations. Although the CAISO and market participants engaged in extensive validation and market simulation before implementation, issues identified after implementation required four settlement software patches in May and early July, each retroactive to the May 1, 2026 trading day. Multiple scheduling coordinators advised the CAISO that the volume and pace of those changes made it infeasible for their vendors to update shadow settlement systems before the T+92B dispute deadlines for the initial T+70B statements passed.

⁴ CAISO tariff section 11.29.7.1; see *also* July 7 Petition at 2-3.

⁵ CAISO tariff section 11.29.8.2(b)(v).

⁶ CAISO tariff section 11.29.8.2(a).

⁷ July 7 Petition at 4.

Accordingly, on July 7, 2026, the CAISO requested a limited waiver of tariff section 11.29.8.2(b)(v) so disputes of T+70B recalculation settlement statements for the May 1, 2026 through June 30, 2026 trading days would all be due by December 24, 2026.⁸ One set of comments filed with the Commission supported the request but asked the Commission to require the CAISO to file a report on system status and on whether additional relief was justified.⁹ In its answer, the CAISO committed to engage with market participants throughout the waiver period, including through its Settlement User Group, and to post a public status report by September 30, 2026.¹⁰ The CAISO also confirmed that it would seek additional relief if circumstances justified.¹¹

On August 25, 2026, the Commission granted the waiver.¹² The Commission declined to compel a report, noting the CAISO's commitment to publicly post a status report by September 30, 2026.¹³

B. Post-Waiver Stakeholder Engagement

After the Commission granted the initial waiver, the CAISO continued to engage with market participants on EDAM/DAME settlement issues. The CAISO

⁸ *Id.* at 1, 6-7.

⁹ Comments, Clarification, and Limited Request for Additional Relief of the Joint Commentors, Docket No. ER26-3104-000, at 5 (July 28, 2026).

¹⁰ Answer of the Cal. Indep. Sys. Operator Corp. to Joint Comments, Docket No. ER26-3104-000, at 2-3 (Aug. 4, 2026).

¹¹ *Id.* at 2.

¹² *Cal. Indep. Sys. Operator Corp.*, 196 FERC ¶ 61,156 (2026) (Waiver Order).

¹³ *Id.* at P 20.

discussed those issues at each Settlement User Group meeting held after EDAM implementation and periodically posted an EDAM issue list identifying the matters affecting EDAM settlements.¹⁴

As it committed to do, the CAISO publicly posted an informational status report on September 30, 2026. The report explained 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 remain under evaluation. It also explained the CAISO's September 29, 2026 settlement release was the latest step in addressing identified settlement variances and that an additional release could be scheduled in the fourth quarter of 2026 if further corrective action proved necessary. The CAISO further reported that many participants had implemented changes from recent settlement releases and were fully or nearly prepared to conduct settlement reconciliation and dispute review, and that the CAISO did not then anticipate needing to extend the December 24 deadline for May and June trading days. Finally, the report explained that, based on its consultations with market participants, the CAISO would seek an additional limited waiver extending the December 24, 2026 dispute deadline to T+70B recalculation settlement statements for July 2026 trading days.

¹⁴ Meetings materials for the Settlements User Group are available at <https://www.caiso.com/meetings-events/topics/settlement-user-group>. The CAISO's September 30 status report is available at <https://www.caiso.com/documents/status-update-on-edam-and-dame-settlement-dispute-deadline-waiver.pdf>.

C. Need to Waive Dispute Deadline for July Trade Dates

Without a waiver, the dispute deadlines for July trading days would fall on calendar dates before December 24, 2026. The dispute deadline for the July 1 T+70B statement would be November 10, 2026, and the dispute deadline for the July 31 T+70B statement would be December 11, 2026.¹⁵ When the first of these deadlines arrives, scheduling coordinators will still be reviewing the T+70B statements for the 61 May and June trading days covered by the existing waiver. Over the following month, they would also have to review, and potentially dispute, statements for 31 July trading days on a rolling series of earlier deadlines.

That sequencing would require scheduling coordinators to prioritize the July statements ahead of the May and June statements simply because the July tariff deadlines fall first. The May and June statements cover the earliest period of EDAM/DAME operation and the period affected by the retroactive settlement software patches. They are therefore likely to require more attention than the July statements. Given the focus on these settlement issues to date, scheduling coordinators should be able to give their full attention to the May and June statements before turning to the July trading days. Aligning the July deadlines with December 24 would provide that more orderly review period and preserve

¹⁵ The complete schedule for disputes is available on the 2026 ISO settlements calendar at <https://www.caiso.com/documents/california-iso-payments-calendar-2026.pdf>.

the benefit of the additional review time the Commission approved in the Waiver Order.

Some T+70B dispute deadlines for August 2026 trading days also fall before December 24. The CAISO, however, is not proposing the Commission waive the T+70B dispute deadline for those August trading days. Although December 24 is the deadline for the May and June trading days, the CAISO expects scheduling coordinators to have substantially completed their review of those earlier trading days by mid-December. The sequencing concern that justifies including July therefore does not apply in the same way to August, and the CAISO does not believe an extension for August trade dates is needed.

II. Petition for Waiver

A. Description of Waiver Request

To preserve the benefit of the additional review period the Commission approved in the Waiver Order, the CAISO respectfully requests a limited waiver of the requirement in CAISO tariff section 11.29.8.2(b)(v) that scheduling coordinators dispute a CAISO settlement statement within 22 business days from the calendar date the CAISO issues it. The CAISO asks for this waiver to run from November 10, 2026 through December 24, 2026 and to apply only to T+70B recalculation settlement statements issued for the July 1, 2026 through July 31, 2026 trading days. The result of granting this waiver would be that all disputes of those statements would be due December 24, 2026, the same deadline the Waiver Order established for the May and June 2026 trading days.

As with the existing waiver, December 24 would serve only as a deadline. The CAISO still encourages scheduling coordinators to submit disputes as they identify the need. Doing so will help CAISO staff process disputes in an orderly way and avoid a large number of disputes all being submitted on a single day.

The CAISO respectfully requests the Commission issue an order on this petition as soon as feasible, with an effective date of November 10, 2026. Granting such an effective date would not be an impermissible retroactive waiver because all parties are now on notice through this filing that the dispute deadline defined in the tariff may change. This is similar to cases where the Commission permits a tariff amendment to become effective the day after filing, with an order issued later. As in that circumstance, if the filing were rejected, the provision would be subject to refund (*i.e.*, the CAISO either would reject any new disputes submitted after the T+92B deadline or retroactively reject previously accepted untimely disputes).

In the alternative, the CAISO requests the waiver apply to all T+70B recalculation settlement statements for July 2026 trading days whose T+92B dispute deadlines have not passed as of the Commission's order. The ordinary deadlines would continue to apply to any July trading days whose deadlines already passed at the time of the order under this alternative request.

B. Meeting the Four Traditional Waiver Criteria

The Commission has granted requests for tariff waivers where: (1) the applicant acted in good faith; (2) the waiver was of limited scope; (3) the waiver addressed a concrete problem; and (4) the waiver did not have undesirable

consequences, such as harming third parties.¹⁶ This waiver petition meets all four conditions.

The CAISO and its market participants have acted in *good faith*. After the Commission granted the initial waiver, the CAISO continued to engage with market participants on EDAM/DAME settlement issues through its Settlement User Group meetings and periodic postings of its EDAM issue list. As it committed to do in Docket No. ER26-3104-000, the CAISO publicly posted a status report by September 30, 2026. In that report, it identified the need for this additional waiver and explained the reasons for it. The CAISO also acted in good faith by bringing this request to the Commission's attention before the first affected dispute deadline on November 10, 2026. Scheduling coordinators have also acted in good faith; many have already implemented the changes from recent settlement releases and are fully or nearly prepared to conduct settlement reconciliation and dispute review.

The waiver request is of *limited scope* because it covers only one month of trading days and applies to only one of potentially five settlement statements issued for each of the 31 trading days covered by the waiver. No other relevant deadlines tied to the dispute deadlines would be waived. The waiver would not affect dispute deadlines for any other settlement statement issued for July 2026 trading days. Nor would it affect dispute deadlines falling on calendar days from

¹⁶ 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).

November 10, 2026 through December 24, 2026 for statements that are not T+70B recalculation settlement statements for July 2026 trading days. The CAISO also does not seek to extend the December 24 deadline for the May and June trading days. It is not requesting similar relief for August 2026 trading days either, even though some of their T+70B dispute deadlines also fall before December 24. The CAISO expects scheduling coordinators to have substantially completed their review of the earlier trading days by mid-December, so a similar extension for August is not strictly necessary.

The waiver addresses a *concrete problem*. Without this waiver, the dispute deadlines for July trading days would fall before the December 24 deadline the Commission approved for the May and June trading days. Scheduling coordinators would then have to focus on reviewing, and potentially disputing, July settlement statements while they are still validating the May and June statements covered by the existing waiver. That sequencing would undercut the purpose of the initial waiver – giving market participants a full and fair opportunity to review and dispute settlements for the first months of EDAM/DAME. The May and June statements cover the earliest period of EDAM/DAME operation and are likely to need more attention than the July statements. If scheduling coordinators had to divert resources to July only because its tariff deadlines fall earlier, they might be less able to identify errors in the May and June statements. Those errors could result in either overcharges or undercharges. Undetected errors of either kind could harm individual participants or the market overall.

Finally, the waiver request avoids *undesirable consequences*. No party's interests will be harmed by this waiver. All CAISO market participants share a common interest in accurate market settlements. This waiver supports that interest by allowing an orderly review period in which scheduling coordinators can finish validating the May and June settlement statements before turning to July. Because the waiver aligns the July deadlines with a deadline the Commission has already approved, it adds no new deadline structure for market participants to track. It creates a single dispute deadline for the T+70B recalculation settlement statements from the first three months of EDAM/DAME.

III. Conclusion

The Commission should find that good cause exists to grant the CAISO's request for a limited tariff waiver of CAISO tariff section 11.29.8.2(b)(v) for T+70B recalculation settlement statements issued for the July 1, 2026 through July 31, 2026 trading days.

Respectfully submitted,

By: /s/ David S. Zlotlow

Roger E. Collanton

General Counsel

Andrew Ulmer

Assistant General Counsel

David S. Zlotlow

Lead Counsel

250 Outcropping Way

Folsom, CA 95630

Tel: (916) 351-4400

Fax: (916) 608-7222

Counsel for the California

Independent

System Operator Corporation

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