

165 FERC ¶ 61,038
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

October 23, 2018

In Reply Refer To:
California Independent System Operator
Corporation
Docket No. ER18-1169-003

California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Attention: Roger E. Collanton
General Counsel

Dear Mr. Collanton:

1. On August 31, 2018, the California Independent System Operator Corporation (CAISO) filed a petition for limited tariff waiver (Petition) to modify the effective date of tariff provisions related to opportunity cost adders that were accepted in the Commission's June 21, 2018 order in this proceeding.¹ Specifically, CAISO seeks to delay the effective date of these tariff provisions from November 1, 2018, until April 1, 2019.
2. In the Petition, CAISO states that it originally requested the November 1, 2018 effective date to give scheduling coordinators that are eligible for an opportunity cost adder approximately six months to work through CAISO's calculated opportunity cost process before the tariff provisions became effective. CAISO explains that, based on issues raised by stakeholders at an August 16, 2018 workshop, it has concluded that both CAISO and stakeholders need more time to work through the use-limitation registration process and the opportunity cost calculation process that follows successful registration. CAISO adds that CAISO and stakeholders also need to work through the implications for resources that may no longer be use-limited once the tariff revisions go into effect and that this will likely require additional tariff clarification, which will be filed later this

¹ *Cal. Indep. Sys. Operator Corp.*, 163 FERC ¶ 61,211 (2018) (June 21 Order).

year. Thus, CAISO requests a waiver to delay the effective date of these tariff provisions from November 1, 2018 until April 1, 2019.²

3. CAISO states that good cause exists to grant the Petition because: (1) CAISO has acted in good faith because it only recently became aware that significant additional time is needed for pre-implementation activities; (2) it will be limited in scope because the waiver will only apply from November 1, 2018, through April 1, 2019; (3) it will solve the concrete problem that CAISO cannot implement the tariff provisions on November 1 due to the need to develop and implement business process changes; and (4) it will not have undesirable consequences because CAISO can continue to operate using its existing tariff provisions in the interim.³

4. Notice of CAISO's Petition was published in the *Federal Register*, 83 Fed. Reg. 45,624 (2018), with interventions and protests due on or before September 21, 2018. No interventions or protests were filed.

5. 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.⁴ We find that CAISO's unopposed Petition to delay the effective date of its opportunity cost adders tariff provisions satisfies the foregoing criteria. First, based on CAISO's representations, we find that CAISO has acted in good faith by promptly filing the Petition upon discovery that it needs more time for pre-implementation activities. Second, we find that CAISO's request is limited in scope, because it will delay implementation of the tariff provisions accepted in the June 21 Order for approximately five months, i.e., until April 1, 2019, and retains the status quo during this limited period. Third, we find that this request for waiver addresses the concrete problem that CAISO cannot implement the tariff revisions on November 1 without risking that pre-implementation activities will not be complete, as discussed above. Fourth, we find that CAISO's request for waiver will not have undesirable consequences and will ensure that CAISO and market participants have sufficient time to engage in readiness activities prior to implementation. For these reasons, we grant CAISO's request for waiver. We also direct CAISO to submit a compliance filing within 30 days of the date of this order

² CAISO Petition at 3-5.

³ *Id.* at 4-5.

⁴ See, e.g., *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 14 (2016); *Calpine Energy Serv., L.P.*, 154 FERC ¶ 61,082, at P 12 (2016); *New York Power Auth.*, 152 FERC ¶ 61,058, at P 22 (2015).

to revise the effective date of the opportunity cost adders tariff provisions accepted in the June 21 Order to reflect the new April 1, 2019 effective date.

By direction of the Commission. Chairman McIntyre is not voting on this order.

Nathaniel J. Davis, Sr.,
Deputy Secretary.