

**Attachment A – Clean Tariff**

**Tariff Amendment to Clarify Process for After-Market Fuel Cost Recovery**

**California Independent System Operator Corporation**

**January 23, 2025**

## **30.12 After-CAISO Market Process Cost Recovery**

### **30.12.1 Applicability**

Scheduling Coordinators may request an additional uplift payment to cover a resource's actual fuel costs or fuel-equivalent costs associated with Start-Up Bid Costs, Minimum Load Bid Costs, Transition Bid Costs, and Energy Bid Costs used in the Bid Cost Recovery mechanism, and that are for:

- (a) amounts in a Reference Level Change Request presented to the CAISO pursuant to Section 30.11 that the CAISO did not approve; or
- (b) amounts in a Reference Level Change Request for a Default Energy Bid or Default Minimum Load Bid that exceeds the Hard Energy Bid Cap or the Minimum Load Cost Hard Cap, respectively.

Scheduling Coordinators may not request additional uplift payments under this Section 30.12 to cover costs: (1) associated with gas company imbalance penalties; or (2) that were not specifically included in a Reference Level Change Request.

### **30.12.2 Notice**

The Scheduling Coordinator must notify the CAISO within thirty (30) Business Days after the applicable Trading Day whether it will:

- (a) request a CAISO evaluation of its costs, pursuant to Section 30.12.4; or
- (b) submit a filing to FERC to recover its costs pursuant to Section 30.12.5.

For purposes of part (b), in cases where the scheduling coordinator did not first make a request under Section 30.12.4, the applicable Trading Day is the Trading Day for which additional uplift has been requested. In cases where the Scheduling Coordinator first makes a request to the CAISO under Section 30.12.4 but the CAISO informed the Scheduling Coordinator it is not eligible to recover its fuel costs through Section 30.12.4 or that the CAISO was unable to verify the costs, then the applicable Trading Day is the Trading Day on which the CAISO informed the Scheduling Coordinator of its ineligibility or the CAISO's inability to verify the costs, respectively.

A Scheduling Coordinator is not eligible to receive an additional uplift payment under this Section 30.12 if it fails to provide notice within this 30-Business Day period.

### **30.12.3 Supporting Documentation**

For requests under Section 30.12.4 and Section 30.12.5, Scheduling Coordinators must submit supporting documentation to the CAISO or FERC, respectively, that demonstrates that submitted costs represent actually procured daily fuel costs or fuel-equivalent costs for a given Trading Day that exceed the fuel costs or fuel-equivalent costs the CAISO used to calculate the resource's Reference Levels. These fuel costs or fuel-equivalent costs must be reasonable and reflect prudent procurement practices. Permissible supporting documents include invoices for fuel purchased, or other appropriate documentation demonstrating fuel costs or fuel-equivalent costs actually incurred that exceed the fuel costs or fuel-equivalent costs the CAISO used to calculate the resource's Reference Levels for the applicable Trading Days.

### **30.12.4 CAISO After-Market Evaluation of Fuel Costs**

#### **30.12.4.1 Process**

If the Scheduling Coordinator requests that the CAISO evaluate the costs specified in Section 30.12.1 based on the documentation specified in Section 30.12.3, then within sixty (60) Business Days after the Trading Day for which the Scheduling Coordinator provides notice to the CAISO per this Section 30.12.4, the CAISO will:

- (a) provide the Scheduling Coordinator with a written explanation of any effect that events or circumstances in the CAISO Markets and fuel market conditions may have had on the resource's inability to recover the costs on the applicable Trading Day; and
- (b) notify the Scheduling Coordinator whether the costs are eligible for evaluation pursuant to this Section 30.12.4.

#### **30.12.4.2 CAISO Evaluation**

In evaluating a request submitted by a Scheduling Coordinator, the CAISO will verify that the submitted costs represent actual incurred fuel costs or fuel-equivalent costs, and that these costs are reasonable and reflect prudent procurement practices.

#### **30.12.4.3 [Not Used]**

#### **30.12.4.4 CAISO Inability to Verify Costs**

If the CAISO is unable to verify within the sixty (60) Business Day period that the resource's incurred

costs are eligible for recovery pursuant to this Section 30.12.4, then the Scheduling Coordinator may submit a filing to FERC under Section 30.12.5 to recover costs.

#### **30.12.4.5 Ineligibility**

If the CAISO determines the resource is ineligible to recover its fuel-related costs through this Section 30.12.4, then the Scheduling Coordinator may submit a filing to FERC under Section 30.12.5 to recover costs..

### **30.12.5 FERC Fuel Cost Recovery Filings**

#### **30.12.5.1 Process**

A Scheduling Coordinator may request that FERC evaluate the costs specified in Section 30.12.1 based on the documentation specified in Section 30.12.3.

If the Scheduling Coordinator makes such request without having first made a request pursuant to Section 30.12.4, then the Scheduling Coordinator has ninety (90) Business Days after the applicable Trading Day to submit its filing for fuel cost recovery to FERC.

If the Scheduling Coordinator first makes a request to the CAISO under Section 30.12.4 but the CAISO informed the Scheduling Coordinator it is not eligible to recover its fuel costs through Section 30.12.4 or that the CAISO was unable to verify the costs, then the Scheduling Coordinator has ninety (90) Business Days after being informed of its ineligibility or the CAISO's inability to verify the costs, respectively, to submit its filing for fuel cost recovery to FERC.

A Scheduling Coordinator is not eligible to receive an additional uplift payment under this Section 30.12 if it fails to file with FERC within the applicable 90-Business-Day period.

#### **30.12.5.2 [Not Used]**

### **30.12.6 Allowable Recovery and Settlement**

If the CAISO (per section 30.12.4) or FERC (per section 30.12.5) validate that the Scheduling Coordinator did not recover through the Bid Cost Recovery mechanism the actual incurred fuel costs or fuel-equivalent costs specified in Section 30.12.1, then the CAISO will resettle Bid Cost Recovery and Exceptional Dispatch for the resource using Bid Costs and Default Energy Bids, as applicable, that are revised to reflect the validated fuel costs or fuel-equivalent costs. The validated costs are not recoverable

outside of Bid Cost Recovery and any validated costs that are not otherwise recognized in Bid Cost Recovery will not be part of an uplift payment under this Section 30.12. The CAISO effectuates the resettlement by issuing Recalculation Settlement Statement(s) within the normal Recalculation Settlement Statements timelines specified in Section 11.29 or by issuing an Unscheduled Directed Recalculation Settlement Statement if the normal timelines have elapsed.

Provided, however, the increase in Bid Cost Recovery payment for a Trading Day cannot exceed the difference between the Bid Cost Recovery payment for the resource based on the validated costs and the maximum Bid Cost Recovery payment the Scheduling Coordinator could have received using the fuel and fuel-equivalent costs in place for market bidding processes on the Trading Day.

**Attachment B – Marked Tariff**

**Tariff Amendment to Clarify Process for After-Market Fuel Cost Recovery**

**California Independent System Operator Corporation**

**January 23, 2025**

## **30.12 After-CAISO Market Process Cost Recovery**

### **30.12.1 Applicability**

Scheduling Coordinators may request an additional uplift payment to cover a resource's actual fuel costs or fuel-equivalent costs associated with Start-Up Bid Costs, Minimum Load Bid Costs, Transition Bid Costs, and Energy Bid Costs used in the Bid Cost Recovery mechanism, and that are for:

- (a) amounts in a Reference Level Change Request ~~presented to the CAISO that were not approved~~ pursuant to Section 30.11 ~~that the CAISO did not approve~~; or
- (b) amounts in a Reference Level Change Request for a Default Energy Bid or Default Minimum Load Bid that exceeds the Hard Energy Bid Cap or the Minimum Load Cost Hard Cap, respectively.

Scheduling Coordinators may not request additional uplift payments under this ~~section~~ Section 30.12 to cover costs: (1) associated with gas company imbalance penalties; or (2) that were not specifically included in a Reference Level Change Request.-

### **30.12.2 Notice**

The Scheduling Coordinator must notify the CAISO within thirty (30) Business Days after the applicable Trading Day whether it will:

- (a) request a CAISO evaluation of its costs, pursuant to Section 30.12.4; or
- (b) submit a filing to FERC to recover its costs pursuant to Section 30.12.5.

For purposes of part (b), in cases where the scheduling coordinator did not first make a request under Section 30.12.4, the applicable Trading Day is the Trading Day for which additional uplift has been requested. In cases where the Scheduling Coordinator first makes a request to the CAISO under Section 30.12.4 but the CAISO informed the Scheduling Coordinator it is not eligible to recover its fuel costs through Section 30.12.4 or that the CAISO was unable to verify the costs, then the applicable Trading Day is the Trading Day on which the CAISO informed the Scheduling Coordinator of its ineligibility or the CAISO's inability to verify the costs, respectively.

A Scheduling Coordinator is not eligible to receive an additional uplift payment under this Section 30.12 if it fails to provide notice within this 30-Business Day period.

### 30.12.3 Supporting Documentation

For requests under Section 30.12.4 and Section 30.12.5, Scheduling Coordinators must submit supporting documentation to the CAISO or FERC, respectively, that demonstrates that submitted costs represent actually procured daily fuel costs or fuel-equivalent costs for a given Trading Day that exceed the fuel costs or fuel-equivalent costs the CAISO used to calculate the resource's Reference Levels. These fuel costs or fuel-equivalent costs must be reasonable and reflect prudent procurement practices. Permissible supporting documents include invoices for fuel purchased, or other appropriate documentation demonstrating fuel costs or fuel-equivalent costs actually incurred that exceed the fuel costs or fuel-equivalent costs the CAISO used to calculate the resource's Reference Levels for the applicable Trading Days.

### 30.12.4 CAISO After-Market Evaluation of Fuel Costs

#### 30.12.4.1 Process

If the Scheduling Coordinator requests that the CAISO evaluate the costs specified in Section 30.12.1 based on the documentation specified in Section 30.12.3, then within sixty (60) Business Days after the Trading Day for which the Scheduling Coordinator provides notice to the CAISO per this Section 30.12.4, the CAISO will:

- (a) provide the Scheduling Coordinator with a written explanation of any effect that events or circumstances in the CAISO Markets and fuel market conditions may have had on the resource's inability to recover the costs on the applicable Trading Day; and
- (b) notify the Scheduling Coordinator whether the costs are eligible for evaluation pursuant to this Section 30.12.4.

#### 30.12.4.2 CAISO Evaluation

In evaluating a request submitted by a Scheduling Coordinator, the CAISO will verify that the submitted costs represent actual incurred fuel costs or fuel-equivalent costs, and that these costs are reasonable and reflect prudent procurement practices.

#### 30.12.4.3 [Not Used] Settlement of Recoverable Amounts

~~To the extent the CAISO's evaluation results in verification that the resource's actually incurred costs claimed by the Scheduling Coordinator were not recovered through the Bid Cost Recovery process, the~~



~~CAISO will resettle Bid Cost Recovery and Exceptional Dispatch using revised Bid Costs and revised Default Energy Bids, as applicable, for the resource and will issue Recalculation Settlement Statement(s) within the normal Recalculation Settlement Statements timelines specified in Section 11.29.~~

#### **30.12.4.4      ~~Extensions~~CAISO Inability to Verify Costs**

If the CAISO is unable to verify within the sixty (60) Business Day period that the resource's incurred costs are eligible for ~~evaluation recovery~~ pursuant to this Section 30.12.4, then the Scheduling Coordinator may submit a filing to FERC under Section 30.12.5 to recover costs.

~~CAISO will provide the Scheduling Coordinator with an extension of thirty (30) Business Days to submit a filing to FERC to recover costs.~~

#### **30.12.4.5      Ineligibility**

If the CAISO determines the resource is ineligible to recover its fuel-related costs through this Section 30.12.4, then the Scheduling Coordinator may submit a filing to FERC under Section 30.12.5 to recover costs. ~~submit a filing for fuel cost recovery to FERC pursuant to Section 30.12.5.~~

### **30.12.5      FERC Fuel Cost Recovery Filings**

#### **30.12.5.1      Process**

A Scheduling Coordinator may request that FERC evaluate the costs specified in Section 30.12.1 based on the documentation specified in Section 30.12.3.

If the Scheduling Coordinator makes such request without having first made a request pursuant to Section 30.12.4, then the Scheduling Coordinator has ninety (90) Business Days after the applicable Trading Day to submit its filing for fuel cost recovery to FERC.

If the Scheduling Coordinator first makes a request to the CAISO under Section 30.12.4 but the CAISO informed the Scheduling Coordinator it is not eligible to recover its fuel costs through Section 30.12.4 or that the CAISO was unable to verify the costs, then the Scheduling Coordinator has ninety (90) Business Days after being informed of its ineligibility or the CAISO's inability to verify the costs, respectively, to submit its filing for fuel cost recovery to FERC.

A Scheduling Coordinator is not eligible to receive an additional uplift payment under this Section 30.12 if it fails to file with FERC within the applicable 90-Business-Day period.

~~If the Scheduling Coordinator provides notice of its intent to submit a filing for fuel cost recovery to FERC,~~

~~or if the CAISO has determined that the Scheduling Coordinator is not eligible to recover fuel costs through Section 30.12.4, the Scheduling Coordinator will have ninety (90) Business Days after either the applicable Trading Day or the date the CAISO informs the Scheduling Coordinator that it is not eligible to recover its fuel costs through Section 30.12.4, whichever is applicable, to submit its filing for fuel cost recovery to FERC.~~

#### **30.12.5.2      ~~Settlement of FERC-Approved Amounts~~[Not Used]**

~~To the extent FERC issues an order finding the resource actually incurred costs claimed by the Scheduling Coordinator that were not recovered through the Bid Cost Recovery process, the CAISO will resettle Bid Cost Recovery using revised Bid Costs for the resource so that these costs can be recovered through the Recalculation Settlement Statement(s) within the normal timelines specified in Section 11.29.~~

#### **30.12.6      Allowable Recovery and Settlement**

If the CAISO (per section 30.12.4) or FERC (per section 30.12.5) validate that the Scheduling Coordinator did not recover through the Bid Cost Recovery mechanism the actual incurred fuel costs or fuel-equivalent costs specified in Section 30.12.1, then the CAISO will resettle Bid Cost Recovery and Exceptional Dispatch for the resource using Bid Costs and Default Energy Bids, as applicable, that are revised to reflect the validated fuel costs or fuel-equivalent costs. The validated costs are not recoverable outside of Bid Cost Recovery and any validated costs that are not otherwise recognized in Bid Cost Recovery will not be part of an uplift payment under this Section 30.12. The CAISO effectuates the resettlement by issuing Recalculation Settlement Statement(s) within the normal Recalculation Settlement Statements timelines specified in Section 11.29 or by issuing an Unscheduled Directed Recalculation Settlement Statement if the normal timelines have elapsed.

Provided, however, the increase in Bid Cost Recovery payment for a Trading Day cannot exceed the difference between the Bid Cost Recovery payment for the resource based on the validated costs and the maximum Bid Cost Recovery payment the Scheduling Coordinator could have received using the fuel and fuel-equivalent costs in place for market bidding processes on the Trading Day.