

188 FERC ¶ 61,215
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Mark C. Christie, David Rosner,
Lindsay S. See and Judy W. Chang.

California Independent System Operator Corporation Docket No. ER24-2444-000

ORDER GRANTING WAIVER REQUEST

(Issued September 26, 2024)

1. On July 1, 2024, pursuant to Rule 207 of the Commission’s Rules of Practice and Procedure,¹ California Independent System Operator Corporation (CAISO) filed a petition for waiver of section 33.2.2 of its Open Access Transmission Tariff (Tariff), which prescribes the implementation date for an Extended Day-Ahead Market (EDAM) Entity Implementation Agreement between CAISO and a balancing authority. CAISO seeks waiver in order to extend the implementation date for Portland General Electric Company’s (Portland General) participation as an EDAM Entity. As discussed below, we grant CAISO’s waiver request.

I. Background

2. CAISO’s EDAM is a market design framework that allows balancing authorities located in the Western states outside of the CAISO market to participate in CAISO’s day-ahead market. CAISO states that the Commission recently accepted revisions to its Tariff to facilitate implementation of EDAM and the onboarding of EDAM Entities effective December 21, 2023. The balance of the EDAM Tariff revisions accepted by the Commission are currently scheduled to go into effect in 2026.² CAISO explains that, by joining EDAM, a balancing authority enters into participation agreements to take part in the day-ahead market.

3. CAISO notes that section 33.2.2 of its Tariff states:

¹ 18 C.F.R. § 385.207 (2024).

² Transmittal at 2. See *Cal. Indep. Sys. Operator Corp.*, 185 FERC ¶ 61,210 (2023); *Cal. Indep. Sys. Operator Corp.*, Docket No. ER23-2686-001 (Apr. 30, 2024) (delegated order).

The CAISO and the prospective EDAM Entity shall work together to determine the EDAM Entity Implementation Date based on the complexity and compatibility of the [external] balancing authority's transmission and technology systems with the CAISO systems and the planned timing of the CAISO's implementation of software enhancements. The EDAM Entity Implementation Date must be not less than six months and not more than 24 months after the date that the EDAM Entity Implementation Agreement between the CAISO and the balancing authority becomes effective in accordance with its terms.³

4. CAISO states that it executed an EDAM Entity Implementation Agreement with Portland General that conforms to the Commission-accepted *pro forma* agreement. CAISO states that it and Portland General have agreed that, subject to Commission acceptance of the instant waiver request, the EDAM Entity Implementation Agreement will become effective July 2, 2024.⁴ Portland General's EDAM participation is targeted for the fall of 2026.

II. Waiver Request

5. CAISO states that good cause exists to grant its request for waiver of the 24-month provision set forth in Tariff section 33.2.2 to permit the EDAM Entity Implementation Agreement between CAISO and Portland General to have a prospective effective date of July 2, 2024.⁵ CAISO asserts that its waiver request meets the Commission's criteria for granting waiver.

6. First, CAISO asserts that it acted in good faith because it filed the request for a limited Tariff waiver within one business day after CAISO and Portland General executed the EDAM Entity Implementation Agreement.

³ Transmittal at 2 (citing CAISO, CAISO eTariff, § 33.2 (Access to EDAM), § 33.2.2 (Implementation Date) (0.0.0)). On August 2, 2024, CAISO submitted Tariff revisions to remove the 24-month provision in Docket No. ER24-2687-000.

⁴*Id.* at 3. As the EDAM Entity Implementation Agreement between CAISO and Portland General conforms to the *pro forma* EDAM Entity Implementation Agreement under the Tariff, it is not separately filed with the Commission under section 205 of the Federal Power Act. 16 U.S.C. § 824d.

⁵ Transmittal at 6.

7. Second, CAISO states that the waiver is limited in scope as it only concerns the applicability of the 24-month limit set forth in Tariff section 33.2.2 to the EDAM Entity Implementation Agreement with Portland General.⁶

8. Third, CAISO argues that waiver will remedy the concrete problem that the implementation steps needed to allow Portland General to start participating in EDAM will require more than 24 months from the effective date of the EDAM Entity Implementation Agreement.⁷ CAISO explains that, in accordance with Tariff section 33.2.2, CAISO and Portland General worked together to determine the EDAM Entity Implementation Date based on the complexity and compatibility of Portland General's transmission and technology systems with CAISO's systems and the planned timing of CAISO's implementation of software enhancements. CAISO states that both parties agreed to perform needed parallel implementation work with PacifiCorp, which has formally committed to participate in EDAM beginning in the spring of 2026. CAISO asserts that executing the EDAM Entity Implementation Agreement now, rather than within 24 months of Portland General's EDAM Entity Implementation Date, will allow CAISO to engage immediately and integrate Portland General into the existing EDAM implementation track schedules that are already underway for PacifiCorp. Specifically, CAISO states that granting waiver will create the opportunity for joint implementation meetings and workshops and early vendor engagement that would otherwise not be available. CAISO states that Portland General will then be able to perform additional internal readiness work so as to be fully ready to participate in EDAM in the fall of 2026.

9. Fourth, CAISO asserts that the waiver will not have undesirable consequences because the request is for a limited Tariff waiver that will not cause any harm to a third party or otherwise cause any problems.⁸ CAISO contends that granting this waiver request will benefit all customers participating in EDAM by facilitating Portland General's participation after completing the necessary work described above. CAISO states that it does not anticipate the need to enter into any other EDAM Entity Implementation Agreements that have effective dates more than 24 months before the corresponding EDAM Entity Implementation Date.

III. Notice and Responsive Pleadings

10. Notice of CAISO's filing was published in the *Federal Register*, 89 Fed. Reg. 56,369 (July 9, 2024), with interventions and protests due on or before

⁶ *Id.* at 4-5.

⁷ *Id.* at 5.

⁸ *Id.* at 6.

July 22, 2024. Portland General filed a timely motion to intervene and comments on July 19, 2024.

11. Portland General states that it strongly supports CAISO's request for waiver of section 33.2.2 of the CAISO Tariff to accommodate the effective date of July 2, 2024, for the EDAM Entity Implementation Agreement between CAISO and Portland General. Portland General asserts that this waiver is crucial to the success of Portland General's entrance into EDAM due to the complexity involved in enabling Portland General's transmission and technology systems to fully integrate with CAISO's systems. Portland General notes that being an early participant in EDAM may require additional efforts extending slightly beyond 24 months, making it unfeasible for Portland General to implement its participation as an EDAM Entity until the fall of 2026 necessitating the waiver.⁹

12. Portland General states that, during discussions regarding the EDAM Entity Implementation Date, CAISO and Portland General determined that the best option for working through the complexity of integrating Portland General's transmission and technology systems with CAISO's systems is to conduct parallel implementation work with PacifiCorp.¹⁰ Portland General argues that the extension will provide the opportunity for joint implementation meetings, workshops, and early vendor engagement. Portland General asserts that this work is crucial to Portland General and CAISO developing the necessary technology, business processes, and training to finalize onboarding and readiness procedures for Portland General's successful participation in EDAM.

13. Portland General contends that CAISO's waiver request satisfies the Commission's criteria for granting waiver.¹¹ Portland General argues that CAISO demonstrated good faith by filing the petition for limited waiver within one business day of the execution of the EDAM Entity Implementation Agreement between CAISO and Portland General. Portland General states that the scope of the request is limited to the issue of the EDAM Entity Implementation Date and addresses the concrete problem of additional time being required to undertake the implementation of Portland General's participation in EDAM in an efficient and effective manner. Portland General also argues that there are no undesirable consequences that will result from extending the EDAM Entity Implementation Date. Rather, Portland General states that the extension

⁹ Portland General Comments at 2-3.

¹⁰ *Id.* at 3.

¹¹ *Id.* at 4.

will create opportunities for efficiencies in this complex process, allowing for parallel and joint implementation work which will save personnel effort and expense.¹²

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 (2024), Portland General's timely, unopposed motion to intervene serves to make it a party to this proceeding.

B. Substantive Matters

15. We grant CAISO's request for waiver of section 33.2.2 of its Tariff. 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.¹³ We find that CAISO's waiver request satisfies these criteria.

16. First, we find that CAISO has acted in good faith because CAISO promptly filed a waiver request with the Commission one business day after CAISO and Portland General executed the EDAM Entity Implementation Agreement. Second, we find that CAISO's request is limited in scope because the waiver is a one-time extension of the EDAM Entity Implementation Date for a discrete EDAM Entity Implementation Agreement. Third, we find that granting CAISO's request addresses a concrete problem; CAISO and Portland General state that more than 24 months from the effective date of the EDAM Implementation Agreement are needed to complete the work necessary to allow Portland General to start participating in EDAM. Specifically, the parties represent that waiver will allow Portland General to participate in parallel and joint implementation work with PacifiCorp, which will support Portland General's ability to begin EDAM participation in the fall of 2026. Fourth, we find that granting the waiver request will not have undesirable consequences, such as harming third parties. Instead, waiver will allow CAISO and Portland General sufficient time to complete their work and coordinate with PacifiCorp. For these reasons, we grant CAISO's request for waiver.

¹² *Id.*

¹³ 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).

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)

Debbie-Anne A. Reese,
Acting Secretary.