



California Independent
System Operator Corporation

April 14, 2022

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER21-1790-___**

**Compliance Filing – Market Enhancements for Summer 2021, Load, Export
and Wheeling Through Priorities**

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”) submits this filing in compliance with the Federal Energy Regulatory Commission’s (“Commission”) Order on Compliance Filing issued on March 15, 2022 in the captioned docket.¹ The CAISO requests the Commission accept the attached tariff revisions, effective August 4, 2021, as compliant with the March 15 Order.

I. Background

On April 28, 2021, the CAISO submitted a tariff amendment in this proceeding to modify load, export, and wheeling through priorities in the day-ahead and real-time market optimization processes and implement other market rules. The Commission accepted the proposed tariff revisions in an order issued on June 25, 2021.² However, the Commission also found that “the penalty pricing parameters that determine the relative scheduling priorities of transactions in the CAISO market optimization software must be in the Tariff.” The Commission concluded such penalty prices significantly affect the conditions of transmission service on the CAISO grid. Accordingly, the Commission directed the CAISO to submit a compliance filing within 30 days of the

¹ *Cal. Indep. Sys. Operator Corp.* 178 FERC ¶ 61,181 (2021) (“March 15 Order”). Capitalized terms not otherwise defined herein have the meaning set forth in the CAISO tariff, and references to specific sections, articles, and appendices are references to sections, articles, and appendices in the CAISO tariff.

² *Cal. Indep. Sys. Operator Corp.* 175 FERC ¶ 61,245 (2021) (June 25 Order).

June 25 Order that “incorporates the penalty pricing parameters associated with the revised scheduling priorities into the relevant sections of the CAISO tariff.”³

To comply with the June 25 Order, on June 26, 2021, the CAISO submitted tariff revisions in a compliance filing (June 26 Compliance Filing) that reflected the penalty pricing parameters associated with the revised scheduling priorities. The proposed tariff revisions included the addition of tables to existing tariff sections 31.4, 34.12.1, and 34.12.2 listing the revised scheduling priorities and their associated penalty pricing parameters.

The June 26 Compliance Filing also included a new tariff section 31.4.1 to provide “a process for making temporary changes to the scheduling parameter values specified in sections 31.4, 34.12.1, and 34.12.2 (referred to hereinafter as the ‘Parameter Change Procedure’).”⁴ The CAISO stated that the Parameter Change Provision “will allow the CAISO to modify the scheduling run parameters when necessary to ensure feasible market solutions or avoid future operational or reliability problems the resolution of which would require recurring operator intervention outside of normal market scheduling procedures.”⁵

In the March 15 Order, the Commission accepted the proposed tariff revisions regarding the penalty pricing parameters associated with the revised scheduling priorities, but it rejected the CAISO’s proposal to create a new Parameter Change Procedure as beyond the scope of compliance. The Commission directed the CAISO to file a compliance filing within 30 days to remove the reference to this procedure, but retain the updates instructed in the June 25 Order.

This filing contains tariff sheets reflecting the accepted penalty pricing parameters associated with the revised scheduling priorities and removing the Parameter Change Procedure⁶, as directed by the Commission.

³ June 25 Order at P 167.

⁴ Transmittal letter for June 26 Compliance Filing at 6; Compliance Filing, Attachment B, new tariff section 31.4.1. On August 4, 2021, the CAISO made a supplemental compliance filing to add language in tariff section 31.4.1 to reflect better its intent that the Parameter Change Procedure would not allow it to change the relative scheduling priorities (as opposed to the penalty price values).

⁵ Transmittal letter for June 26 Compliance Filing at 6-7.

⁶ The tariff record for 31.4.1 has been amended to remove the Parameter Change Procedures in its entirety. It is referenced as “Not Used” in the clean and marked tariff attachments.

III. **Materials Provided in this Compliance Filing**

In addition to this transmittal letter, this compliance filing includes:

Attachment A	Clean CAISO tariff sheets reflecting the tariff revisions described above
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Attachment B	Red-lined CAISO tariff sheets reflecting the tariff revisions described above
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IV. **Conclusion**

The CAISO requests that the Commission accept this compliance filing effective August 4, 2021.

Respectfully submitted,

By: /s/ Anthony Ivancovich

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Attachment A – Clean Tariff

Load, Exports and Wheeling Compliance Filing

California Independent System Operator Corporation

April 14, 2022

31.4.1 [Not Used]

Attachment B – Marked Tariff
Load, Exports and Wheeling Compliance Filing
California Independent System Operator Corporation
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****Since the pending tariff language for 31.4.1 was never FERC approved, this redline reflects the tariff record number as “Not Used”**

31.4.1 [Not Used]

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceeding, 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, CA, this 14th day of April, 2022.

/s/ Jacqueline Meredith

Jacqueline Meredith