

129 FERC ¶ 61,127
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Sudeen G. Kelly, Marc Spitzer,
and Philip D. Moeller.

California Independent System Operator Corporation Docket No. ER10-32-000

ORDER GRANTING TARIFF WAIVER

(Issued November 19, 2009)

1. On October 5, 2009, the California Independent System Operator Corporation (CAISO) filed a request for a waiver of the provisions in section 31.5.2.2.2 of its open access transmission tariff (CAISO Tariff) regarding the application of penalty points against two metered subsystem (MSS) operators, the City of Riverside, California (Riverside) and the City of Vernon, California (Vernon), for underscheduling during April 2009 (CAISO October 5, 2009 Waiver Request). In this order, we grant the requested waiver.

Background

2. The CAISO proposes to waive the penalty points provision that the CAISO states Riverside and Vernon inadvertently triggered when they made errors in submitting self-schedules on specific days in April 2009, the first month of the CAISO's new market design.¹ The CAISO explains that MSS operators that opt-out of the CAISO's Residual Unit Commitment (RUC) procurement process must comply with MSS self-scheduling requirements.² Here, Riverside and Vernon were responsible for submitting hourly demand self-schedules in the day-ahead market that were greater than or equal to the CAISO's forecast for the MSS demand for that hour.³ Due to the mistakes described below, Riverside and Vernon submitted demand self-schedules that were less than the CAISO's forecast of their demand and their metered demand for certain hours.

¹ On March 31, 2009, the CAISO's Market Redesign and Technology Upgrade (MRTU) market design went into effect.

² CAISO October 5, 2009 Waiver Request at 3-4 (citing CAISO Tariff section 31.5.2.2).

³ *Id.* at 2, 5.

3. The CAISO and Riverside⁴ explain that for April 25th and April 27th Riverside initially submitted day-ahead demand schedules to the CAISO using the Scheduling Infrastructure Business Rules (SIBR) application programming interface. These initial schedules equaled or exceeded the CAISO's load forecasts for Riverside.⁵ However, due to the derating of one of Riverside's generators, Riverside had to adjust its April 25th bid. Also, according to Riverside, its real-time scheduler noticed that the CAISO's demand forecast for Riverside for April 27th had changed, requiring increases in Riverside's April 27th bid. Thus, for these days, Riverside states that it submitted incremental changes to its self-scheduled demand through the CAISO's SIBR graphical user interface. Riverside explains that, when it submitted the modified schedules for certain hours, the CAISO's SIBR graphical user interface did not retain its previously submitted schedules that had not been modified, which resulted in an apparent underscheduling of demand by Riverside. The CAISO states that this software feature has since been modified so that updates no longer result in the deletion of prior self-schedules.

4. The CAISO and Vernon explain that Vernon made errors in manually transferring data from spreadsheets into the CAISO's scheduling software.⁶ Specifically, for April 3rd and April 4th, Vernon states that it inadvertently submitted import schedules one hour off, so that the hours ending 2000 and 2100 were entered into the scheduling software for the hours ending 1900 and 2000. Also, according to Vernon, for April 21st, it scheduled its 14 MW import for the hours ending 1100 through the hour ending 1500, inadvertently omitting the hours ending 1600 and 1700. As a result, Vernon states that its demand self-schedules were less than the CAISO's demand forecast for all three days. Subsequently, Vernon explains that it contacted CAISO and learned to use a software feature that allows Vernon to confirm the accuracy of its self-schedules before they are finalized. The CAISO states that, since this discussion, these inadvertent errors have not occurred again.

5. The CAISO states that, without this waiver, Riverside and Vernon will each have accrued ten penalty points or more in the first month of the CAISO's MRTU market, which is halfway towards the twenty penalty points in a twelve-month period that would obligate them to opt into the RUC procurement process.⁷ The CAISO states that it could

⁴ The CAISO included as attachments to its filing declarations from representatives of Riverside and Vernon describing the facts relevant to the waiver request. *See* CAISO October 5, 2009 Waiver Request at Att. A (Declaration of Riverside), Att. B (Declaration of Vernon).

⁵ *Id.* at Att. A.

⁶ *Id.* at Att. B.

⁷ *Id.* at 14.

arguably interpret its tariff as not applying to these factual circumstances, but that it requests this waiver out of an abundance of caution. The CAISO states that Riverside and Vernon support this waiver request.

6. The CAISO argues that good cause exists to grant this limited waiver because there is substantial evidence that Riverside and Vernon intended to meet the CAISO's demand forecast and that the errors were unintentional. The CAISO also explains that these self-scheduling errors did not alter any market outcomes in the relevant hours.⁸

Notice of Filing and Responsive Pleadings

7. Notice of the CAISO's October 5, 2009 Waiver Request was published in the *Federal Register*, 74 Fed. Reg. 52,798 (2009), with interventions, protests and comments due on or before October 26, 2009. Riverside and Vernon filed timely motions to intervene. No other comments were received.

Discussion

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2009), timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

9. In the past, the Commission has granted waivers to allow a limited and temporary change to a tariff to correct an error. The Commission has granted tariff waivers where: (1) the underlying error was made in good faith; (2) the waiver was of limited scope; (3) a concrete problem needed to be remedied; and (4) the waiver did not have undesirable consequences, such as harming third parties.⁹

10. The CAISO's request to waive the tariff provisions satisfies the Commission's requirements to allow a limited and temporary change to a tariff to correct an error. Both Riverside and Vernon made good faith efforts to meet or exceed the CAISO's demand forecast but inadvertent errors resulted in their submission of inadequate schedules into the CAISO's market. The waiver is limited in scope because it only applies to the specific circumstances described above. The waiver will address the CAISO's concern regarding the impact of the accrual of ten penalty points on Vernon and Riverside's ability to self-schedule, rather than participate in the RUC procurement process. Finally, the waiver will not adversely impact third parties because it only affects Riverside and Vernon. For these reasons, we find good cause and grant the requested waiver.

⁸ *Id.* at 13.

⁹ *ISO New England Inc.*, 117 FERC ¶ 61,171, at P 21 (2006).

The Commission orders:

The CAISO's request for waiver is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.