

April 3, 2025

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Tariff Clarifications Amendment – Spring 2025**

Docket No. ER25-____-000

Dear Secretary Reese:

The California Independent System Operator Corporation (CAISO)¹ submits revisions to clarify two areas of its tariff.² As part of a regular business practice to improve its tariff, the CAISO performs reviews to identify any changes of an administrative nature. The tariff revisions proposed in this filing do not change established policies or materially affect the rights and obligations of the CAISO or its market participants, but instead add clarity, precision, and accuracy. The Commission has accepted similar filings regarding the CAISO's tariff clarifications.³ The tariff revisions included in this filing would (1) treat information exchanged with an entity that has executed an the Extended Day Ahead Market (EDAM) implementation agreement as confidential information, if labeled as such; and (2) confirm temporary eligibility for maximum import capability for resources interconnecting to a subscriber participating transmission owner (Subscriber PTO) facility.

Although the CAISO submits these clarifications in the same filing, each change is severable from the other and is just and reasonable on its own. The

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the currently effective CAISO tariff.

² The CAISO submits this filing under Section 205 of the Federal Power Act, 16 U.S.C. § 824d, Part 35 of the Commission's Regulations, 18 C.F.R. part 35, et seq., and rule 203 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203. Capitalized terms not otherwise defined herein have the meanings set forth in the CAISO tariff.

³ *California Independent System Operator Corp.*, Letter Order, Docket No. ER20-2374-000 (Sept. 4, 2020). *California Independent System Operator Corp.*, Letter Order, Docket No. ER23-609-000 (Feb 7, 2023). *California Independent System Operator Corp.*, Letter Order, Docket No. ER23-2557-000 (Oct 24, 2023). *California Independent System Operator Corp.*, Letter Order, Docket No. ER24-2687-000 and ER24-2687-001 (Dec 4, 2024).

CAISO respectfully requests that the Commission accept all of these revisions effective June 3, 2025, 61 days after filing.

I. Proposed Tariff Modifications

Attachment A to this filing contains a matrix identifying each of the proposed tariff amendments. This attachment identifies each tariff section the CAISO proposes to change and an explanation for the proposed change.

A. Confidential Information Shared During Extended Day-Ahead Market Implementation Activities

The CAISO proposes to amend tariff section 33.2 to clarify that information exchanged by the CAISO and the prospective EDAM Entity during the implementation phase will be treated as confidential by both parties, if labeled as such.⁴ Tariff section 33.2 describes how an EIM Entity can become an EDAM Entity for purposes of participating in the EDAM, including how it will work with the CAISO to complete various onboarding activities⁵ before its scheduled implementation date. These onboarding activities require the parties to exchange commercially sensitive information so that the CAISO can configure its business and software systems to incorporate the prospective EDAM Entity into the day-ahead market.

Treating this onboarding information as confidential is consistent with how the CAISO and the EIM Entity protect commercially sensitive information during Energy Imbalance Market (EIM) implementation. Specifically, the EIM Implementation Agreements contain a confidentiality provision, stating that all information received from the other party in connection with the Implementation Agreement, necessary to complete implementation, and marked as containing commercially sensitive or confidential information will be treated as confidential.

Absent such a provision in the *pro forma* EDAM Implementation Agreement, the CAISO proposes to include language in its tariff that is substantially similar to the confidentiality statement in the EIM Implementation Agreements. The CAISO and prospective EDAM Entities already treat sensitive information exchanged during implementation as confidential. The proposed tariff language confirms this existing practice and ensures the parties can share confidential information necessary to fulfill their obligations under tariff section 33.2, knowing it will be protected from disclosure. This language also is consistent with the CAISO's commitment throughout the tariff, including tariff section 20, to maintain the confidentiality of its market participants' commercially sensitive information, as well as its own.

⁴ Proposed Tariff Section 33.2.8.

⁵ Tariff Section 33.2.5.

B. Subscriber Participating Transmission Owner and Maximum Import Capability

The CAISO proposes clarifications to tariff section 40.4.6.2.2.4 and the Appendix A definition of “New Use Import Commitment” in order to clarify the Maximum Import Capability (“MIC”) allocation process as it relates to the Subscriber PTO framework. MIC represents deliverability for imports, and the CAISO calculates MIC for all scheduling points at the CAISO balancing authority area boundary.⁶ Load serving entities within the CAISO may count contracts with resources outside the CAISO balancing authority area for resource adequacy if they receive a MIC allocation associated with that commitment. The CAISO’s tariff process for allocating MIC includes an annual multi-step process for determining how much MIC is available and allocating it to load serving entities based on various identified priorities. This process includes a step for New Use Import Commitments, which represent new power purchase agreements, ownership interests, or other commercial arrangements.⁷ The Subscriber PTO framework, approved by the Commission in 2024,⁸ allows certain resources temporarily to utilize MIC to qualify for resource adequacy while awaiting deliverability network upgrades. Resources interconnected to a Subscriber PTO can qualify as a New Use Import Commitment.

The generation interconnected to a Subscriber PTO line will be within the CAISO balancing authority area and will not ultimately require a MIC allocation to count for resource adequacy. However, these resources will need to go through the generator interconnection process to obtain deliverability to support their resource adequacy status similar to any other resource internal to the CAISO balancing authority area. Pending that process, resources connected to a Subscriber PTO that is non-contiguous to the rest of the CAISO balancing authority area may utilize MIC in the interim to qualify for resource adequacy.⁹ Because MIC represents deliverability to imports, resources connected to a non-contiguous Subscriber PTO will need an associated MIC allocation if they do not yet have deliverability allocated through the generator interconnection process for internal resources. The CAISO amended Appendix DD, Section 8.9.1, the tariff section describing the deliverability allocation process, to reflect this policy. This section allows for a generator interconnected to a Subscriber Participating TO that is a non-contiguous portion of the CAISO balancing area to use available MIC if the generating resource does not yet have deliverability. The CAISO now proposes to make the complementary tariff amendment to Section 40.4.6.2.2.4, the section describing the

⁶ See Section 6.1.3.5 of the Business Practice Manual for Reliability Requirements

⁷ Section 40.4.6.2.2.4 of the CAISO Tariff and the Appendix A definition of “New Use Import Commitment.”

⁸ Order Accepting Proposed Tariff Revisions, 186 FERC ¶ 61,177 (March 12, 2024).

⁹ See California ISO, Subscriber Participating Transmission Owner Model Tariff Amendment (Sept. 22, 2023), available at <https://www.caiso.com/documents/sep22-2023-tariff-amendment-subscriber-participating-transmission-owner-model-er23-2917.pdf> at pg. 26 and 27.

MIC allocation process, to confirm and clarify that the CAISO will allocate MIC based on contracts with or commitments of resources interconnected to a Subscriber PTO. The CAISO similarly proposes a related change to the Appendix A definition of “New Use Import Commitment” to further confirm and clarify the existing policy in Appendix DD. These changes are consistent with the CAISO’s Subscriber PTO tariff provisions the Commission has already accepted.¹⁰

II. Stakeholder Process

The CAISO initiated a process to obtain stakeholder input concerning the proposed tariff changes in this filing on March 19, 2025. The CAISO received written comments on the proposed changes and held one conference call with stakeholders to discuss stakeholder concerns, similar to the approach taken in previous yearly filings.¹¹ The CAISO appreciates stakeholders’ ongoing efforts to help clarify the CAISO’s tariff.

III. Effective Date and Waiver

The CAISO respectfully requests an effective date of June 3, 2025, 61 days from this filing, for all tariff revisions.

IV. Communications

In accordance with Rule 203(b)(3) of the Commission’s Rules of Practice and Procedures,¹² the CAISO requests that all communications regarding this filing should be directed to, and the CAISO asks the Secretary to include on the official service list the following:

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Operator Corporation
250 Outcropping Way
Folsom, CA 95630
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¹⁰ See, *supra* footnote 8.

¹¹ A record of the CAISO’s 2025 stakeholder process and comments received is available at <https://stakeholdercenter.caiso.com/RecurringStakeholderProcesses/Tariff-Clarification-Filings-2025>.

¹² 18 C.F.R. § 385.203(b)(3).

V. Service

The CAISO has served copies of this transmittal letter, and all attachments, on the California Public Utilities Commission, the California Energy Commission, and parties with effective scheduling coordinator service agreements under the CAISO tariff. In addition, the CAISO is posting this transmittal letter and all attachments on the CAISO Website.

VI. Materials Provided In This Filing

In addition to this transmittal letter, the following documents support this filing:

Attachment A	Matrix listing and describing each proposed tariff change;
Attachment B	Clean CAISO tariff sheets incorporating these requested tariff changes; and
Attachment C	Red-lined document showing the revisions proposed in this tariff amendment.

VII. Conclusion

In this filing, the CAISO proposes amendments to its tariff. The CAISO respectfully requests that the Commission accept these tariff amendments with an effective day of June 3, 2025. Please do not hesitate to contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Sarah E. Kozal

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Attachment A – Matrix of Changes
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Section	Proposed Redlines	Reason for Change
Section 33.2.8	<p><u>33.2.8 Confidentiality</u> <u>The CAISO and the prospective EDAM Entity will provide confidential treatment of all information they exchange in connection with the EDAM Entity Implementation Agreement necessary to complete the implementation activities and which is identified as containing commercially sensitive or confidential information.</u></p>	<p>Clarifies that information exchanged by CAISO and the prospective EDAM Entity during implementation will be treated as confidential, if labeled as such. This treatment is consistent with how commercially sensitive information is protected during EIM implementation under the confidentiality provision in the EIM Implementation Agreements.</p> <p>In the absence of such a provision in the <i>pro forma</i> EDAM Implementation Agreement, CAISO proposes to include language in its tariff that is substantially similar to the confidentiality statement in the EIM Implementation Agreements. CAISO and prospective EDAM Entities already treat sensitive information exchanged during the implementation stage as confidential. This provision confirms the existing practice and ensures the parties can share confidential information to fulfill their implementation obligations, knowing it will be protected from disclosure.</p>
Section 40.4.6.2.2.4, 4th Sentence	<p>An LSE may reserve an import allocation for the term of the New Use Import Commitment by showing an applicable New Use Import Commitment, signed by May 15th of the year prior to the requested import allocation, if the New Use Import Commitment: (1) identifies a specific resource or an aggregation of specific resources <u>that will provide capacity or energy</u>, consisting of Pseudo-Tie Generating Units, or Dynamic Resource-Specific System Resources, <u>or Generating Units connected to the CAISO Controlled Grid while subject to CAISO Appendix DD 8.9.1 (b) and (c); that will provide</u></p>	<p>Allows for existing policy to be reflected in and conflicts resolved in tariff. Existing tariff language in Appendix DD allows for generating units interconnected via a Subscriber Participating TO (SPTO) to utilize MIC to qualify for RA until such units are able to receive deliverability. This clarification updates the MIC tariff provisions to reflect this policy.</p>



Section	Proposed Redlines	Reason for Change
	capacity or energy and (2) meets all the requirements herein as well as those described in the appropriate Business Process Manual.	Through the stakeholder process for the SPTO policy, Tariff Appendix DD, Section 8.9.1 was revised to allow for a Subscriber Participating TO that is a non-contiguous portion of the CAISO BAA to be able to use the available Maximum Import Capability made available by the Load Serving Entities that have Subscriber Rights until the Load Serving Entity(s) cease using this Maximum Import Capability allocation or Deliverability Network Upgrade(s) pursuant to Section 4.3A4.2(b) is completed to support the Subscriber Rights and then the TP Deliverability will be awarded to such Subscriber consistent with 8.9.1(c).
Appendix A - New Use Import Commitment	Any power purchase agreement, ownership interest, or other commercial arrangement, that meets all the Tariff and applicable Business Process Manual requirements to lock import capability received as Remaining Import Capability at the branch group level and does not already qualify as Pre-RA Import Commitment, entered into by a Load Serving Entity serving Load in the CAISO Balancing Authority Area for the procurement of capacity from a resource specific or aggregation, consisting of Pseudo-Tie Generating Units; or Dynamic Resource-Specific System Resources; or Generating Units connected to the CAISO Controlled Grid, while subject to CAISO Appendix DD 8.9.1 (b) and (c), located outside the CAISO Balancing Authority Area. The New Use Import Commitment shall be deemed to terminate upon the expiration of the initial term of the New Use Import Commitment, notwithstanding any "evergreen" or other renewal provision exercisable at the option of either party to the agreement.	Same explanation as 40.4.6.2.2.4 above.

Attachment B – Clean Tariff

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Section 33

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33.2.8 Confidentiality

The CAISO and the prospective EDAM Entity will provide confidential treatment of all information they exchange in connection with the EDAM Entity Implementation Agreement necessary to complete the implementation activities and which is identified as containing commercially sensitive or confidential information.

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Section 40

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40.4.6.2.2.4 Reserving import capacity as New Use Import Commitment

An import allocation received as Remaining Import Capability (Steps 5-13) may be reserved at the branch group level by the LSE holder for the applicable RA year. To reserve an import allocation, the LSE must hold the import allocation for all 12 months of the applicable RA year. LSEs cannot reserve import allocations for partial years.

An LSE may reserve an import allocation for the term of the New Use Import Commitment by showing an applicable New Use Import Commitment, signed by May 15th of the year prior to the requested import allocation, if the New Use Import Commitment: (1) identifies a specific resource or an aggregation of specific resources that will provide capacity or energy, consisting of Pseudo-Tie Generating Units, Dynamic Resource-Specific System Resources, or Generating Units connected to the CAISO Controlled Grid while subject to CAISO Appendix DD 8.9.1 (b) and (c); and (2) meets all the requirements herein as well as those described in the appropriate Business Process Manual.

A New Use Import Commitment reservation can extend for an undetermined length of time, but the

reserved quantity cannot exceed future year ahead Load Share Quantity. For implementation purposes, before import allocations are given out for the next RA year, an LSE must provide the CAISO with contract priority preference to determine the order of MIC allocation reduction in the event the reserved quantity exceeds future year ahead Load Share Quantity. If an LSE chooses to partially reduce the import allocation associated with a specific contract, the LSE must maintain the entire contract unchanged for the duration of the next RA year. Any material modification to the electric or operational characteristics of the contract, as determined by the CAISO, or the sale (part or entire) of the RA contract that currently qualifies as a New Use Import Commitment by its LSE holder will result in the loss of status as New Use Import Commitment.

An LSE can reserve up to 75% of its year ahead total import allocation (representing the sum of Existing Contract Import Capability, Pre-RA Import Commitment Capability, New Use Import Commitment Capability and Remaining Import Capability as communicated by the CAISO per step 7) at the branch group level with New Use Import Commitments that meet this tariff section. The total reserved amount for each LSE represents the sum of all their Existing Contract Import Capability, Pre-RA Import Commitment Capability and New Use Import Commitment Capability.

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Appendix A

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- New Use Import Commitment

Any power purchase agreement, ownership interest, or other commercial arrangement, that meets all the Tariff and applicable Business Process Manual requirements to lock import capability received as Remaining Import Capability at the branch group level and does not already qualify as Pre-RA Import Commitment, entered into by a Load Serving Entity serving Load in the CAISO Balancing Authority Area for the procurement of capacity from a resource specific or aggregation, consisting of Pseudo-Tie Generating Units; Dynamic Resource-Specific System Resources; or Generating Units connected to the

CAISO Controlled Grid, while subject to CAISO Appendix DD 8.9.1 (b) and (c). The New Use Import Commitment shall be deemed to terminate upon the expiration of the initial term of the New Use Import Commitment, notwithstanding any "evergreen" or other renewal provision exercisable at the option of either party to the agreement.

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Attachment C – Redline Tariff
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Section 33

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33.2.8 Confidentiality

The CAISO and the prospective EDAM Entity will provide confidential treatment of all information they exchange in connection with the EDAM Entity Implementation Agreement necessary to complete the implementation activities and which is identified as containing commercially sensitive or confidential information.

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Section 40

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40.4.6.2.2.4 Reserving import capacity as New Use Import Commitment

An import allocation received as Remaining Import Capability (Steps 5-13) may be reserved at the branch group level by the LSE holder for the applicable RA year. To reserve an import allocation, the LSE must hold the import allocation for all 12 months of the applicable RA year. LSEs cannot reserve import allocations for partial years.

An LSE may reserve an import allocation for the term of the New Use Import Commitment by showing an applicable New Use Import Commitment, signed by May 15th of the year prior to the requested import allocation, if the New Use Import Commitment: (1) identifies a specific resource or an aggregation of specific resources that will provide capacity or energy, consisting of Pseudo-Tie Generating Units, ~~or~~ Dynamic Resource-Specific System Resources, or Generating Units connected to the CAISO Controlled Grid while subject to CAISO Appendix DD 8.9.1 (b) and (c); ~~that will provide capacity or energy~~ and (2) meets all the requirements herein as well as those described in the appropriate Business Process Manual.

A New Use Import Commitment reservation can extend for an undetermined length of time, but the reserved quantity cannot exceed future year ahead Load Share Quantity. For implementation purposes, before import allocations are given out for the next RA year, an LSE must provide the CAISO with contract priority preference to determine the order of MIC allocation reduction in the event the reserved quantity exceeds future year ahead Load Share Quantity. If an LSE chooses to partially reduce the import allocation associated with a specific contract, the LSE must maintain the entire contract unchanged for the duration of the next RA year. Any material modification to the electric or operational characteristics of the contract, as determined by the CAISO, or the sale (part or entire) of the RA contract that currently qualifies as a New Use Import Commitment by its LSE holder will result in the loss of status as New Use Import Commitment.

An LSE can reserve up to 75% of its year ahead total import allocation (representing the sum of Existing Contract Import Capability, Pre-RA Import Commitment Capability, New Use Import Commitment Capability and Remaining Import Capability as communicated by the CAISO per step 7) at the branch group level with New Use Import Commitments that meet this tariff section. The total reserved amount for each LSE represents the sum of all their Existing Contract Import Capability, Pre-RA Import Commitment Capability and New Use Import Commitment Capability.

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Appendix A

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- New Use Import Commitment

Any power purchase agreement, ownership interest, or other commercial arrangement, that meets all the Tariff and applicable Business Process Manual requirements to lock import capability received as Remaining Import Capability at the branch group level and does not already qualify as Pre-RA Import Commitment, entered into by a Load Serving Entity serving Load in the CAISO Balancing Authority Area for the procurement of capacity from a resource specific or aggregation, consisting of Pseudo-Tie

Generating Units; ~~or~~ Dynamic Resource-Specific System Resources; or Generating Units connected to the CAISO Controlled Grid, while subject to CAISO Appendix DD 8.9.1 (b) and (c), located outside the CAISO Balancing Authority Area. The New Use Import Commitment shall be deemed to terminate upon the expiration of the initial term of the New Use Import Commitment, notwithstanding any "evergreen" or other renewal provision exercisable at the option of either party to the agreement.

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