

[6450-01-P]

DEPARTMENT OF ENERGY

(DOE Docket No. 202-22-1)

Emergency Order Issued to the California Independent System Operator Corporation to Operate Power Generating Facilities Under Limited Circumstances in California as a Result of Extreme Weather

AGENCY: Office of Cybersecurity, Energy Security, and Emergency Response, Department of Energy.

ACTION: Notice of emergency action.

SUMMARY: The U.S. Department of Energy (DOE or the Department) is issuing this Notice to document emergency actions that it has taken pursuant to the Federal Power Act. California experienced several periods of extreme heat, drought conditions, and threat of wildfires. California Governor Gavin Newsom issued a proclamation declaring a state of emergency regarding increased electrical demand and generation. Because the additional generation may result in a conflict with environmental standards and requirements, the DOE authorized only the necessary additional generation, allowing CAISO to sufficiently supply the necessary amount of energy needed to prevent electrical disruption.

FOR FURTHER INFORMATION CONTACT: For further information on this Notice, or for information on the emergency activities described herein, contact Kenneth Buell, (202) 586-3362, Kenneth.Buell@hq.doe.gov, or by mail to the attention of Kenneth Buell, CR-30, 1000 Independence Ave., SW, Washington, DC 20585.

The Order and all related information are available here:

<https://www.energy.gov/ceser/federal-power-act-section-202c-caiso-september-2022>.

SUPPLEMENTARY INFORMATION:

Background

Section 202(c) of the Federal Power Act

The U.S. Department of Energy is issuing this Notice pursuant to 10 CFR 1021.343(a) to document emergency actions taken in accordance with section 202(c) of the Federal Power Act (FPA) (16 U.S.C. 824a(c)). FPA section 202(c) provides that “[d]uring the continuance of any war in which the United States is engaged, or whenever the [Secretary of Energy] determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the [Secretary of Energy] shall have authority, either upon [her] own motion or upon complaint, with or without notice, hearing or report, to require by order such temporary connections of facilities and generation, delivery, interchange, or transmission of electric energy as in [her] judgment will best meet the emergency and serve the public interest.

1. Request for Emergency Order from the California Independent System Operator Corporation

On September 1, 2022, the California Independent System Operator Corporation (CAISO) submitted to the Department a Request for Emergency Order Under Section 202(c) of the Federal Power Act (Application) with the Department “to preserve the reliability of bulk electric power system in California.” In its Application, CAISO cited extreme heat and forecasted a supply deficiency to meet demand during peak demand hours. CAISO requested the

authority to direct the operation of three natural gas-fired generating resources capable of providing 28 megawatts of additional generation supply (the Covered Resources). CAISO stated that the emergency order it was requesting could result in exceedances of National Ambient Air Quality Standards under the Clean Air Act. Given the permit limits of the Covered Resources, CAISO anticipated that the additional capacity could not be made available absent an order under FPA section 202(c).

2. *CAISO Order*

On September 2, 2022, the Acting Under Secretary for Infrastructure, acting pursuant to delegated authority, issued Order No. 2022-22-1 (the CAISO Order). As set forth in the CAISO Order, the Acting Under Secretary for Infrastructure found that an emergency exists in California due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that the issuance of the CAISO Order would meet the emergency and serve the public interest.

The CAISO Order authorized the CAISO to dispatch the Covered Resources from September 2, 2022 to September 8, 2022, solely under the following conditions: (i) the issuance and continuation of an Energy Emergency Alert Level 2 (EEA2) condition or greater between the hours of 14:00 Pacific Daylight Time and 22:00 Pacific Daylight Time; and (ii) a transmission emergency that requires operation of a Covered Resource to prevent or mitigate load curtailment during any operating hour. Under the CAISO Order, the CAISO was required to exhaust all reasonably and practically available resources prior to dispatching the Covered Resources.

The CAISO Order requires that CAISO provide a report by October 10, 2022, to include all source-specific data for dates between September 2, 2022 and September 8, 2022, during which the Covered Resources operated. The report must include, “for each unit: (1) the hours of operation, as well as the hours in which any permit limit was exceeded, and (2) a preliminary description of each permit term that was exceeded and the manner in which such exceedance occurred.” The CAISO Order also requires the CAISO to “submit a final report by November 14, 2022, with any revisions to the information reported on December 12, 2022.” However, because no facilities operated above permitted levels during the emergency as authorized by the DOE order, no environmental impacts resulted from DOE issuing the order. Consequently, DOE has decided not to prepare a special environmental analysis. The Department will prepare a special environmental analysis of the potential impacts resulting from issuance of the CAISO Order, including impacts on air quality and environmental justice. The CAISO will be responsible for the reasonable third-party costs of the special environmental analysis.

3. Amendment Number 1 to CAISO Order

On September 7, 2022, the CAISO submitted to the Department a Request for Modification of Emergency Order Pursuant to Section 202(c) of the Federal Power Act (Request for Modification) in which it requested that the CAISO Order be amended to add two units at Calpine’s Greenleaf Unit 1 site in Yuba City, California (the Greenleaf Units) as additional Covered Resources and that the Greenleaf Units be permitted to operate through September 9, 2022, and otherwise in accordance with the terms of CAISO Order. In its Request for Modification, the CAISO reported that the water injection pump failed at the Greenleaf Units on September 6, 2022. Operation of the Greenleaf Units could cause exceedance of permitted

emissions limits, and thus could result in suspension of their operation absent the issuance of an emergency order permitting operation of the Greenleaf Units during specified conditions.

On September 7, 2022, the Acting Under Secretary for Infrastructure issued Amendment Number 1 to Order No. 202-22-1 (Amendment Number 1), finding that the circumstances which led to her previous determination that California was experiencing a shortage of electric energy was continuing and that Amendment Number 1 would help meet the emergency conditions in the CAISO control area and serve the public interest. Amendment Number 1 added the Greenleaf Units as Covered Resources subject to all of the terms of the CAISO Order, except that the Greenleaf Units could be operated through September 9, 2022. All other terms of CAISO Order remained in effect and applied to all of the Covered Resources, including the Greenleaf Units. The CAISO Order as amended by Amendment Number 1 is referred to herein as the Amended CAISO Order.

4. Amendment Number 2 to the Amended CAISO Order

On September 7, 2022, the CAISO submitted to the Department a Request for Extension of Emergency Order Pursuant to Section 202(c) of the Federal Power Act (Extension Application) to the Department. In its Extension Application, the CAISO requested an extension of the expiration date of the Amended CAISO Order through September 12, 2022. The CAISO stated that California was experiencing extreme heat, which the CAISO forecasted to continue through at least September 9, 2022, and the extended and excessive heat as well as wildfire risk could “exacerbate electric grid reliability issues at any time.” Consequently, the CAISO believed it prudent to ask that the expiration date of the Amended CAISO Order be extended through

September 12, 2022.

On September 8, 2022, the Acting Under Secretary for Infrastructure issued Amendment Number 2 to Order No. 202-22-1 (Amendment Number 2), finding that an emergency continued to exist in California due to a shortage of electric energy and that issuance of the extension would help to meet the emergency conditions and serve the public interest. Amendment Number 2 extended the expiration date of the Amended CAISO Order through September 12, 2022. All other terms of the Amended CAISO Order remained in effect, including the obligation of the CAISO to exhaust all reasonably and practically available resources prior to dispatching the Covered Resource and the obligation to report information regarding the environmental impacts of the operation of the Covered Resources permitted by the CAISO Order. As required by FPA section 202(c), the Department consulted with the Environmental Protection Agency (EPA) in considering the CAISO's request for an extension of the Amended CAISO Order. The EPA did not request any additional conditions be included in the Amended CAISO Order.

5. Further Information

The CAISO Order, Amendment Number 1, Amendment Number 2, and other documents referenced herein can be found on the Department's web site at <https://www.energy.gov/ceser/federal-power-act-section-202c-banc-september-2022>. The reports required by the Amended CAISO Order will be posted to the Department's web site when they become available.

Signing Authority

This document of the Department of Energy was signed on [date], by Puesh M. Kumar, Director for the Office of Cybersecurity, Energy Security, and Emergency Response, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, D.C., on [insert date], 2022.

Puesh M. Kumar
Director
Office of Cybersecurity, Energy Security, and Emergency Response