

Stakeholder Comments Template

Reliability Services Initiative - Phase 2

Draft Final Proposal

Submitted by	Company	Date Submitted
<i>Matt Barmack, 925-557-2267</i>	<i>Calpine Corp.</i>	<i>February 26, 2016</i>

This template has been created for submission of stakeholder comments on the draft final proposal for the Reliability Services Initiative - Phase 2 that was posted on January 26, 2015. The draft final proposal and other information related to this initiative may be found at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ReliabilityServices.aspx>.

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **February 26, 2016**.

If you are interested in providing written comments, please organize your comments into one or more of the categories listed below.

Calpine appreciates the opportunity to comment on the Draft Final Proposal. As in comments on previous versions of the proposal, Calpine limits its comments to the topic of replacement and substitution of local resources.

1. Clarify Local Regulatory Authority (LRA) interaction and process alignment
2. Substitution for flexible capacity resources on planned outage
3. Separate local and system RA for purpose of forced outage substitution

Calpine fully supports the changes in this version of the proposal to allow capacity in local areas that has been sold as system RA capacity to be substituted with other system RA capacity in the event of a forced outage. Calpine's primary concern about the immediately previous version of the proposal was that it limited such substitution to cases in which only system RA capacity and no local RA capacity had been sold from a resource. The current proposal would allow the same flexibility of substitution for a block of capacity sold as system RA from a resource even if local RA capacity had been sold from the same resource. This flexibility is important to Calpine because Calpine frequently sells a mix of local and system RA capacity from its resources located in local areas.

Calpine requests one minor clarification of the current proposal. The proposal refers to two specific sources of substitute local RA capacity: (1) capacity from non-RA resources and (2) Incremental RA capacity that has not been sold from resources from which some RA capacity already has been sold. Under the current proposal, might it also be possible to provide substitute local RA capacity by converting system RA capacity that has been sold from a suitable local resource to local RA capacity—assuming that the substitute capacity would itself be replaced with additional system or local RA capacity?

4. Process to update EFC list during the year
5. Address the RAIM exemption currently in place for combined flexible capacity resources
6. Streamlining monthly RA showings
7. Other