

# Stakeholder Comments Template

## Reliability Services Initiative - Phase 2

### Second Revised Straw Proposal

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the second revised straw proposal for the Reliability Services Initiative - Phase 2 that was posted on November 13, 2015. The second revised straw 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](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **December 9, 2015**.

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 Second Revised Straw Proposal. Calpine limits its comments to the topic of replacement and substitution of local resources.

1. Clarify Local Regulatory Authority 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 appreciates the CAISO's continued efforts to revise substitution rules to provide appropriate requirements for capacity in local areas that has been sold as system RA capacity, not local RA capacity. As Calpine has indicated in previous comments, it is fundamentally unfair to require substitution of a resource that has been sold as system RA capacity with more expensive local RA capacity. The CAISO's 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 is a major improvement over the status quo. Calpine has two remaining concerns with the CAISO's proposal:

First, the benefits of the CAISO proposal are limited by the fact that it only addresses entire units, i.e., the proposal requires that if any portion of a resource has been sold as local RA capacity, then substitution for any capacity from the resource must be from an equivalent local resource. Calpine frequently sells a mix of local and system RA capacity from its resources located in local areas, so, effectively, the CAISO proposal would require Calpine to continue to substitute RA capacity sold from resources in local areas with local RA capacity, regardless of whether the substitute capacity is replacing capacity that has been sold as system or local RA capacity. Calpine understands that, with current market rules and systems, it may be difficult to differentiate between different blocks of capacity from the same resource for the purposes of substitution. Calpine looks forward to working further with the CAISO to refine market rules and systems to allow appropriately differentiated substitution requirements for different blocks of capacity from the same resource.

Second, Calpine requests clarification of the *planned* outage substitution rules for resources in local areas that have been sold as system RA capacity that would obtain if the CAISO Revised Straw Proposal were implemented. In the current version of the proposal, the CAISO dropped the element of the proposal related to substitution of local resources on planned outages. Notwithstanding this change, Calpine believes that the natural implication of the CAISO's proposed substitution rules for *forced* outages may be the following: for a local resource that has been sold as system RA capacity, an SC could request a planned outage for a window within an upcoming delivery month. In the event that the request is denied, the SC could nevertheless take an outage without substitution. Within the delivery month, the outage would be deemed forced, in which case the CAISO's proposed forced outage substitution rules would apply, i.e., the resource could be substituted with system RA capacity. Calpine would appreciate the CAISO's confirmation of our understanding.

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