Comments of Calpine Corporation on

Primary Frequency Response

Draft Final Proposal

Dated: Feb 4, 2016
Comments Submitted: Feb 22, 2016

Compliance:

Calpine sticks to its previous comments…

> That is, [the CAISO] should state acceptable droop settings, non-responsive bandwidth and outer loop control system parameters (e.g., frequency bias) that it seeks. Once these parameters are set, and generators are given the opportunity to modify systems, the CAISO should reevaluate the overall performance and the need for any further requirements.

In addition, if the ISO imposes new requirements on generators, it should establish a reasonable runway for evaluation and software changes. Also, in a manner analogous to metering changes, there should be an exemption process for facilities that are in the process of complying.

Compensation:

Simply put, if *any* entities are paid, either to provide PFR or to take on a PFR obligation from the CAISO, then all providers should be paid. We are hesitant to support payment to other external entities while a subset of internal generators is forced to provide PFR with no compensation.

In this regard, the ISO should proceed, forthwith, to a capability and market-based compensation mechanism that clears all providers at the marginal cost.

Allocation:

PFR is a reliability service intended to arrest frequency decay and avoid load interruption. The costs of providing this service should go to loads.

Support for Some Changes:

We support, at least for now, the elimination of a forward looking mechanism and the expansion of spinning reserves as a poor proxy for PFR.

Good Utility Practice:

In the presentation, the CAISO implies that control systems that may truncate frequency response in order ensure compliance with dispatch orders, and minimize imbalance energy production may not comport with “Good Utility Practice”. We wholeheartedly disagree.

Should the CAISO require that frequency bias is engaged at its facilities, Calpine reiterates its view that the tariff must allow deviations from dispatch, and compensate generators - not only for the capability of providing PFR, but also for the unintended consequences of resultant deviations from dispatch orders.

Thanks