



SAN GORGONIO FARMS, INC.

707 Esplanade, Suite C
Redondo Beach, CA 90277
(310) 316-7337 Fax: (310) 316-7013
WhitewaterWind@aol.com

March 2, 2017

California Independent System Operator
250 Outcropping Way
Folsom, California 95630

Re: PIRP Protective Measures

Dear Sir or Madam:

I am writing this letter on behalf of San Gorgonio Farms, Inc. (“SGF”) to urge the California Independent System Operator (“CAISO”) to extend the PIRP Protective Measures for our project. SGF supports generally the positions of the California Wind Energy Association (“CalWEA”) in this respect.

SGF owns and operates a 31 MW wind project and is under contract to sell all of the output from our project to the City of Anaheim (“City”). SGF currently receives PIRP Protective Measures because our technology is relatively old and, when the Order 764 market changes went into effect, could not respond timely to CAISO market price signals. In addition, under our contract with the City, SGF is responsible for CAISO real time settlements and has very limited ability to mitigate its exposure to imbalance costs or otherwise respond to CAISO market price signals. The PIRP Protective Measures carry forward the monthly imbalance netting feature of PIRP upon which our contract with the City was, in part, based.

SGF has made significant investment and strides in modernizing our equipment so as to be able to respond to CAISO market price signals, but our attempts to modify our contract and avoid the need for PIRP Protective Measures has been unsuccessful. SGF does not expect to be able to renegotiate its contract, but remains willing if circumstances change.

As indicated in CalWEA’s comments, SGF relied upon the existence of the monthly netting feature of PIRP and should not be penalized by losing the benefit of PIRP Protective Measures after expiration of the arbitrary initial three-year time period initially set forth for the Protective Measures. SGF will continue to modernize our equipment and will be periodically check with the City to determine if they may be willing to amend our contract. In the meantime, we request an extension of the PIRP Protective Measures for the remaining term of our contract, which expires in December of 2023.

Sincerely,

Bradford W. Adams
Vice President