

Stakeholder Comments Template

Subject: Reactive Power and Financial Compensation

Submitted by	Company	Date Submitted
<i>Grant McDaniel</i> <i>916-447-5171</i>	<i>Wellhead</i>	<i>9/2/15</i>

This template has been created for submission of stakeholder comments on the Draft Straw Proposal for the Reactive Power initiative that was posted on August 13th, 2014. Upon completion of this template please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **September 3, 2015**.

1. Financial compensation for reactive power.

Wellhead believes that it is appropriate for the CAISO to provide additional compensation in the following cases:

- A minimum of cost recovery when a resource is not concurrently providing economic energy.
Gas fired resources which are committed solely for reactive support, are entitled to cost recovery. While Wellhead believes it is appropriate for market participants to be able to earn a profit from providing reactive support services, we believe, as a minimum, that all resources should be eligible for cost recovery even when it is minimal as is the case with asynchronous resources.
- Opportunity costs should be paid to resources providing economic energy when required to provide reactive support in a range that affects real power.

2. Wellhead supports the CAISO's effective date proposal.

3. Wellhead supports the CAISO's proposal for the reactive power technical requirements.