

Sidney,

I will bring this up tomorrow, but I'm not sure this is clear or works as intended.

11.13.4 Daily RMR Settlement

Scheduling Coordinators on behalf of RMR Resources are entitled to payments for the Daily Bid Cost Calculation calculated pursuant to Section 11.13.2, plus any costs calculated pursuant to Section 11.13.3. The sum of any daily IFM Market Revenue in excess of IFM Bid Cost plus any daily RUC Market Revenues in excess of RUC Bid Cost plus any RTM Market Revenues in excess RTM Bid Costs will offset the Daily RMR Capacity payment calculated pursuant to Section 11.13.1. In addition, any FMM Exceptional Dispatch Settlement in excess FMM Exceptional Bid Cost less Opportunity Costs plus any RTD Exceptional Dispatch Settlement in excess RTD Exceptional Dispatch Cost less Opportunity Costs will offset the Daily RMR Capacity payment calculated pursuant to Section 11.13.1.

The RMR owner should receive the full "Capacity" payment – full AFRR-- (btw, you don't use the work "capacity payment" in the contract – it's a Daily Payment comprised of "Availability" and "Surcharge"). That payment should only be "offset" by market rents and BCR *if you pay the market rents and BCR through normal settlement*. Maybe this:

11.13.4 Daily RMR Settlement

Scheduling Coordinators on behalf of RMR Resources are entitled to payments for (1) the Daily Payment pursuant to 11.13.1, (2) the any amount-due SC from Daily Bid Cost Calculation calculated pursuant to Section 11.13.2, plus any costs calculated pursuant to Section 11.13.3. The sum of any daily IFM Market Revenue in excess of IFM Bid Cost plus any daily RUC Market Revenues in excess of RUC Bid Cost plus any RTM Market Revenues in excess RTM Bid Costs will be paid to the RMR Resource, but also used to offset the Daily RMR Capacity payment calculated pursuant to Section 11.13.1. In addition, any FMM Exceptional Dispatch Settlement in excess FMM Exceptional Bid Cost less Opportunity Costs plus any RTD Exceptional Dispatch Settlement in excess RTD Exceptional Dispatch Cost less Opportunity Costs will offset the Daily RMR Capacity payment calculated pursuant to Section 11.13.1.

Also, where do we include the "excess costs" from Schedule C of the draft contract? Is that the gutted and amended 11.18.6??

This following revision implies that you substitute ALL bids with DEBS.

31.2 Day-Ahead MPM Process

After the Market Close of the DAM, and after the CAISO has validated the Bids pursuant to Section 30.7, the CAISO will perform the MPM process, which is a single market run that occurs prior to the IFM Market Clearing run. The Day-Ahead MPM process determines which Bids need to be mitigated using the applicable Default Energy Bids in the IFM.

Do you mean to say: The Day-Ahead MPM process determines which Bids need to be mitigated using to the applicable Default Energy Bids in the IFM pursuant to section 31.2.3.

I still have some questions about differences that may arise in the bids that are submitted by the SC vs the bids expected by the CAISO. We both know that there will be (unintentional) differences. If you are

not using CAISO automated bid insertion (which was my recollection), how are you going to handle differences in bidding (high or low??) This possible difference is intensified by the possibility of choosing the a negotiated or LMP option for the DEB.

In a number of places, you refer to “other reliability services” or “similar services” (e.g., 41.1, 41.2, 41.5.3) – what do you have in mind there?

In **41.2.2(a)** the revised languages says:

If the CAISO finds that a retiring Generating Unit is needed for reliability in either of these timeframes, the CAISO may designate the Generating Unit as needed for RMR service.

The word “may” causes me some pause, and I’d prefer “shall”. This also leaves unclear the timing of such designation – would it be immediately upon the finding? subject to revisions? Only “designated” at the Sept/Oct Board meeting of the year?

In **41.5.1**, I don’t understand the implications of this – and don’t recall discussing it in the stakeholder meetings...

RMR units will be treated as Listed Local RA Capacity for purposes of substitution under the tariff.

... And does it conflict with **41.7** where it says:

Reliability Must-Run Units can provide RA Substitute Capacity based on the same rules applicable to Resource Adequacy Resources under Section 40.9.

In **43A.4.1.1.1** you identify the GFFC cost categories generally – rather than the contract which beneficially uses FERC accounts. Consider specifying.

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