

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Calpine appreciates the changes included in the CPM Risk-of-Retirement (RoR) Straw Proposal. We condition our support upon the continued voluntary nature of RoR and the ongoing rights of resource owners to unilaterally terminate their PGA or remove resources on the PGA Schedule 1.

### 1. Who can apply

#### Comments:

We support the changes suggested. The changes beneficially clarify that a resource need not wait until after it endures financial harm before it can initiate the RoR review.

### 2. Timing

#### Comments:

We do not object to the creation of “windows” for submission of RoR requests.

We do note, however, that these studies will have to be coordinated with TSRO and BPM mothballing requests – as well as routine unilateral notices of PGA termination. In total these varied requests could place a significant burden on the ISO as the gas fleet is winnowed.

Some parties allege that an April window may “front-run” the RA program, that is, identify resources that are absolutely needed for reliability prior to the prompt-year RA negotiations. We see this as a signal of failure of the RA program, not as a flaw in the ISO’s backstop role. Units needed for reliability, but at risk of retirement should not have to depend on annual contracting that may or may not materialize prior to the prompt year, but rather be contracted for significant term well in advance of the prompt

year. But if they are needed for reliability, and are otherwise uncontracted, the CAISO CPM pricing (or higher prices as approved by FERC) appropriately reflect their scarcity value.

It may go without saying, but a forward capacity commitment or procurement requirement would provide a more efficient retirement signal than continuous one-off reliability studies and the brinkmanship required by the timing associated with the end of year annual RA showing.

### 3. Application Requirements

#### Comments:

As Calpine has stated repeatedly, the current and proposed application requirements create a substantial barrier to the voluntary use of this RoR process. For instance, attestations that require assertion of “definite” unalterable conclusions in a highly volatile energy environment simply are not reasonable. The CAISO tariff should recognize that resource owners have vested property rights that allow them to establish the disposition of their uncontracted and uncommitted assets as they see fit.

### 4. Selection Criteria when there are Competing Resources

#### Comments:

No comments on this aspect of the proposal at this time.

### 5. Term and Monthly Payment Amount

#### Comments:

Calpine appreciates the clarification that CPM bridge compensation would be for the “balance of the RA compliance year” rather than the current language which plainly allows designations to be made for periods anywhere from one to twelve months. We remain somewhat concerned with the language that suggests that monthly payments would be 1/12 of the annual compensation amount given that review, approval, or filing delays could result in uncompensated months.

### 6. Cost Justification

#### Comments:

Calpine believes that as with the other CPM processes, the CPM soft cap should be the default price paid to resources. Including a FERC filing and cost justification is reasonable for units that have costs above the cap, but otherwise, such a process unnecessarily delays approval of RoR requests. Generators are not likely to be able to agree to continue to operate a resource at risk of retirement without first knowing the level of compensation that will be received for such operations.

## 7. Decision to Accept

### **Comments:**

Calpine strongly supports the provision that allows a resource to accept or decline a CPM RoR designation. Generators must be able to make rational business decisions regarding the retirement of their generating units without fear that they can be forced into uneconomic operations through a CPM RoR designation at a compensation level that is unacceptable.

## 8. Other Comments

Please provide any additional comments not associated with the topics listed above.

### **Comments:**

No further comments at this time.

Thanks.