

EIM Readiness Criteria

Compliance Order

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Summary:

Calpine views the creation of “readiness criteria” and an officer’s attestation thereof as important to the efficient inclusion of new EIM Entities in the CAISO markets. Calpine believes that structure and content of the attestation is critical to an evaluation of readiness and offers possible language binding the EIM Entity to financial exposure to the markets. In addition, the criteria presented thus far appear to be progress milestones, not exit criteria.

Officer Attestation

The core of the FERC compliance order in our view is that an officer of the EIM Entity must attest, under oath, that they are ready to participate in the EIM. The content of that attestation is critical and will guide the development of readiness, or exit criteria.

Calpine suggests that the officer should attest to the following facts:

- They have read and understand sections 29 (EIM) and 37 (Rules of Conduct) of the ISO tariff, and
- They have been briefed on all other relevant sections of the tariff, Business Practice Manuals and Operating Protocols, and
- They have been briefed on the status of readiness by both their staff and that of the CAISO, and
- They are satisfied that both EIM Entity and CAISO systems will function properly from the submission of bids to the payment of bills, and
- They have been briefed on all available tariff-based remedies to unexpected results, and finally,
- Attest that the EIM Entity is ready to take both the risks and opportunities associated with participating in CAISO markets.

At a minimum, Calpine believes that the form and content of the attestation should be known and a part of this stakeholder initiative.

Readiness Criteria

In our view the readiness criteria presented in the PowerPoint are development targets, not exit criteria. Some development criteria are likely very important to the sequential progress in the *preparing* for a go-live, but in our view, are quite insufficient for a *release to commercial operations*.

For instance, we see no reason to allow an EIM Entity to go-live when 5 percent of the base schedules are unbalanced, or when 10 percent of the time the EIM Entity fails the Flexible Ramping test. The criteria should be restructured and refined to reflect, as close as possible, current CAISO BA metrics.

In addition, the criteria lack sufficient specificity. For instance, in training, the ISO requires "EIM Entity Operators", an undefined term, complete "100 series" and other classes. It would be helpful to know which classes this entails. CAISO reports on early start-up with PacifiCorp suggested that things such as outage reporting and MSG bidding were areas of particular difficulty. It would be helpful to have a more complete list of expectations.

Thanks