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Dynegy appreciates the opportunity to provide input on the CAISO's Flexible Ramping Product Straw Proposal and is generally supportive of its development, with certain concerns. We're concerned that the CAISO may be proposing to force all Resource Adequacy resources into the FRP market, not just Flexible RA, as well as valuing FRP resources at zero (similar to how RUC resources are treated). Dynegy supports the WPTF Comments and offers these specific comments on the straw proposal:

- Clarification – The [CAISO Flexible Ramping Product Straw Proposal presentation](#) (slide 9) appears to subject ALL RA resources to a must-offer obligation in the FRP at \$0.
 - Please clarify that the must-offer for FRP is only for the Flexible Capacity sold from a resource.
- Flexible Ramping Product Must Offer conflicts with FRACMOO & CPUC Flexible Capacity Must Offer:
 - The ISO has proposed must-offer obligations for resources that are shown as flexible on LSE's RA showings. (from [FRACMOO Final Proposal](#) – page 24)
 - The ISO will require that the scheduling coordinator for each LSE submit separate showings for flexible and generic capacity procured. Resources that are shown only on the flexible capacity RA showing will be subject to the flexible capacity offer obligations and any future applicable availability charges and credits, but not the generic RA availability requirement and applicable availability charges and credits. For example, an SC for an LSE that is using a generating resource for 100 MW generic capacity and 60 MW of flexible capacity would submit a generic RA showing for 100 MW and a flexible showing for 60 MW. (from [FRACMOO Final Proposal](#) – page 35)
 - The FRACMOO must-offer makes no mention of using regular RA as Flexible – Why has CAISO made this change?
 - [CPUC Proposed Decision on 2015 LCR & RA Issues](#) (page 86): The LSE is not required to commit additional flexible capacity beyond its flexible RA obligation. A committed flexible resource is a qualified flexible resource under contract to perform under the applicable flexible must-offer obligation. In order to verify the committed flexible capacity that is being shown in the RA filing, staff will compare LSE RA filings against the generator's corresponding supply plan filed with the ISO. Validation of each LSE's flexible capacity obligation supplements the validation of RA filings against local and system RA obligations. Year-ahead compliance filings should demonstrate that 90% of flexible capacity obligation is met for January to December. Month-ahead filings need to demonstrate that 100% of flexible capacity obligation is met for the month.
A megawatt of capacity counts only once – as flexible or generic. A resource may have flexible megawatts and generic megawatts based on its start-up time and how

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- it was contracted to the LSE. Flexible megawatt and generic megawatt count towards system RA obligation. Only flexible megawatts count towards meeting flexible RA obligation. If the resource is in a local area, the combined total MW contracted from the facility count towards system and local RA requirements.
- The CPUC Proposed Decision must-offer makes no mention of using regular RA as Flexible – Why has CAISO made this change?
 - Mandate that Flexible RA must-offer at \$0 is unreasonable
 - FRP is another ancillary service
 - Value is avoiding NERC penalties, at minimum, or shadow prices of power balance violations.

Dynergy is a Board-level member of Western Power Trading Forum, a trade group that has one of the most diverse memberships in the California electricity sector. We fully support their comments on these issues and strongly encourage CAISO to seriously consider them.