

Dynegy comments on Regulatory Must-Take Generation

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The CAISO Tariff defines “Generation” as “Energy delivered from a Generating Unit.” According to the CAISO tariff, Generation is not capacity, it is energy. Referring to “capacity of Generation” confusingly conflates the two terms.

Further, while “Bid” is defined as a noun, not as a verb, in the CAISO Tariff, it’s hard to envision how an amount of non-dispatchable energy would be “bid” into the CAISO’s markets. Such energy would be scheduled, but not bid.

The CAISO has adequately explained why it believes certain critical pump load schedules should be afforded transmission priority. However, it’s not yet apparent why the non-dispatchable output of certain QF resources which now may be subject to competition should be given transmission priority. Dynegy would benefit from an explanation as to why the non-dispatchable output from QF generation should be entitled to transmission priority.

Finally, how is the amount of non-dispatchable generation entitled to transmission priority as “Regulatory Must-Take Generation” determined? Is it conveyed in Schedule A to the unit’s PGA? How is it verified?

In addition to these comments, Dynegy offers the following edits to the term “Regulatory Must-Take Generation” as proposed to be amended by the CAISO:

The following Generation resources that the relevant Scheduling Coordinator may ~~bid or~~ schedule directly with the CAISO on a must-take basis: (1) Generation from Qualifying Facility Generating Units subject to an Existing QF Contract pursuant to a mandatory purchase obligation as defined by federal law; (2) the non-dispatchable ~~_capacity of~~ Generation from (a) other QF Generating Units, (b) other Generating Units ~~of facilities~~ producing electricity in conjunction with useful thermal energy, or (c) Generating Units ~~of facilities~~ producing electricity as part of a process to capture and inject carbon dioxide for enhanced oil recovery; (3) Generation from nuclear units; and (4) the minimum take Generation from Generating Units subject to pre-existing power purchase contracts with minimum Energy take requirements.