



Comments on FERC Order 764 Compliance Straw Proposal

Subsequent to December 19 Stakeholder Call

In the absence of an updated straw proposal, Olivine, Inc submits these short comments limited to one aspect discussed during the stakeholder call; Elimination of the HASP. Olivine understands that additional work is necessary to develop a construct to make this feasible, but to retain the HASP would seem to only retain a market inefficiency in an initiative that is designed to eliminate market inefficiencies.

It is not entirely clear to Olivine from the brief discussion during the stakeholder conference call if the CAISO has determined that it must retain the HASP in the interim to assure hourly TR for block schedules or if it contemplates that it can deliver the same TR service within the 15 minute construct.

Olivine encourages the CAISO to continue to work to eliminate the HASP and looks forward to additional clarification on the status of HASP in the revised straw proposal scheduled for release on February 8, 2013.