


Submitted by	Company	Date Submitted
Ian Quirk 415-973-9798 Derick Stowe 415-973-5662	Pacific Gas & Electric  <i>Pacific Gas and Electric Company</i> [®]	August 19, 2009

Pacific Gas & Electric (PG&E) appreciates the opportunity to participate in the Ancillary Services Procurement in HASP stakeholder process and to submit comments regarding the August 5, 2009 Straw Proposal and the August 12, 2009 CAISO presentation.

PG&E is generally supportive of this proposal. It reverts back to the originally-envisioned HASP A/S procurement process and provides a mechanism for A/S awarded to non-dynamic external resources to be dispatched. This should allow for a deeper HASP A/S market.

PG&E asks for additional CAISO consideration on an open issue. One issue raised in the conference call and left unresolved relates to the inadvertent commitment and dispatch of energy from a non-dynamic resource which desires to provide A/S. A resource is required to submit an energy bid to support an A/S bid. The A/S bid may not be awarded in HASP, yet the energy bid from the resource may still be considered for real-time commitment and dispatch. This is problematic for a non-dynamic resource. We ask the CAISO to fully consider how this issue can be addressed and communicate with market participants before the development of the final proposal.