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CAISO Board of Governors
250 Outcropping Way
Folsom, CA 95630

Subject: CAISO Board decision on Dynamic Transfers

CAISO Board of Governors:

With this letter, LS Power Associates, L.P. (LS Power) expresses its support of CAISO Management's recommendation in regards to Dynamic Transfers proposal. LS Power requests that CAISO Board approves the Dynamic Transfers proposal and authorizes CAISO Management to make necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposed tariff change. LS Power has been an active participant since the inception of the Dynamic Transfers stakeholder initiative. We commend CAISO staff for conducting a very robust stakeholder process for this initiative, allowing numerous opportunities for stakeholder participation, and successfully striking a balance between various interests. CAISO staff has established an overall framework that will facilitate implementation of dynamic transfers of renewable resources.

As an owner of several conventional operating assets that are located outside California, but sell their products to CAISO market (through Dynamic Scheduling and otherwise), LS Power is very encouraged to see Dynamic Transfers becoming available to out of state renewable resources. This will allow such resources to offer their products to California Load Serving Entities (LSEs) and thereby help the State of California in meeting its RPS goals.

LS Power's Development Group is currently actively involved in developing several renewable projects outside California. Two of these projects are in very advanced development stages, are fully permitted, and ready to break ground soon. One of the key elements desired by California LSEs, is for these these projects to have CAISO Dynamic Transfer service implemented, and in a timely fashion. LS Power understands that once Dynamic Transfers provisions are included in CAISO tariff, much more work will still be needed for successful implementation of dynamic transfer services for renewable resources. This implementation is expected to involve signing several agreements by various parties, including agreements between CAISO and External Balancing Authority Areas (BAAs).

LS Power therefore requests CAISO Board to approve the Dynamic Transfers proposal, and requests CAISO Management to expeditiously work on including Dynamic Transfers provisions within CAISO tariff. LS Power further requests CAISO Management to work with parties requesting Dynamic Transfer services and External BAAs in parallel with Dynamic Transfer

tariff modifications, such that Dynamic Transfer services for renewable resources can be implemented soon after tariff modifications are in place.

We appreciate the opportunity to offer inputs to CAISO Board on this important subject, and look forward to working with CAISO staff in implementation of Dynamic Transfer service for our development projects.

Sincerely,



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