

**From:** Doug Davie [ddavie@wellhead.com]  
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**Subject:** Comments on SCP - QF Facilities Outage Reporting Issue

I appreciated the opportunity to discuss the CAISO's recommended Standard Capacity product modifications during the September 9, 2011 stakeholder call. The CAISO recommendation is to include in the Tariff a temporary exclusion for RA resources operating under QF contracts when those contracts do not require the QF resource owners to provide forced outage data for the length of the contracts inhibiting the ability to collect the required outage data. This recommendation appears to be based in significant part on the utilities' June 9, 2011 joint proposal.

We agree with the utilities', and their reason reasoning, that QF resources under existing contracts should not be subject to the reporting requirements. However, missing from the CAISO recommendation is the clear statement that all QFs who amend their existing contracts will be subject to the same temporary exclusion when the amendment does not do any of the following: 1) extend the term; 2) increase the capacity; or 3) add the requirement to provide such data.

During the stakeholder call, there was also a brief discussion of the applicability of non-availability charges and availability incentives to this same group of QF resources (*QFs who amend their existing QF contracts*). In Section 1 of the CAISO's August 30, 2011 recommendation, there is recognition that QFs whose contracts were in effect before August 22, 2010 have been grandfathered from the application of SCP non-availability payments and availability incentives charges. With regard to the novation/amendment of DWR contracts, discussions during the call pointed out that these contracts continue to be grandfathered as long as the contract novation/amendment does not result in either the term being extended or the capacity being increased. The CAISO should clearly state that the same principle will be applied to all QF contracts that are amended when the amendment increases neither the contract term nor the capacity.

I look forward to working with the CAISO in the drafting of Tariff language that implements these principles.

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