Comments of Calpine Corporation on the Standard Capacity Product II Revised Draft Final Proposal

Submitted by	Company or Entity	Date Submitted
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Calpine continues to object to the CAISO's proposal to incorporate delivered energy into the calculation of availability for resources subject to the historical counting convention. As proposed by the CAISO, the consideration of delivered energy would lead to asymmetric and unwarranted adjustments to the availability of certain resources.

This general point is illustrated by the following example, which is based on Example 2 of the Revised Draft Final Proposal. Suppose 50 MW of a 100 MW unit are forced out, the NQC of the unit is 15 MW, the full 15 MW of NQC of the unit have been sold as RA, and the availability of the unit calculated using the proportional de-rate approach is 7.5 MW. Further, suppose that the premise of the proportional de-rate approach is correct and "any forced outage or temperature related ambient de-rate that makes its nominal capacity less than fully available during an SCP assessment hour will proportionately reduce its ability to fully deliver its NQC in that hour," so that the average output of the unit over the period in question is in fact 7.5 MWh/hour. If the output of the unit is 0 MWh/hour in every odd hour and 15 MWh/hour in every even hour over the period of time in which 50 MW of capacity has been forced out, then, according to the CAISO's proposal, the availability of the unit would be 7.5 MW, i.e., 50 percent, in the hours in which it delivers no energy, and 15 MW, i.e., 100 percent, in all of the remaining hours. In total, the unit would be deemed 75 percent available, even though its production is consistent with the 50 percent availability calculated using the proportional de-rate approach, unmodified to consider energy deliveries.

Calpine recommends that either energy deliveries be excluded from the calculation of availability or that they be incorporated in a symmetric fashion, i.e., that the calculation of availability in each hour be based on the minimum of the energy delivered and the amount of RA sold.