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**Comments of Calpine Corporation
on the CAISO's Draft IBAA Tariff Language**

Calpine appreciates the opportunity to submit these comments on the IBAA draft tariff language dated 5-19-2008.

Calpine is the owner and operator of a resource embedded within the SMUD BA. This resource, the Sutter power plant, is fully delivered to the CAISO BA under a Pseudo Participating Generator Agreement executed on December 1, 2005. Pursuant to that agreement, all output is settled as if the plant were physically located within NP15 of the CAISO BA.

In previous comments, Calpine attempted to clarify that individual generators, such as Sutter would not be subjected to the "default" scheduling and pricing conditions of the IBAA proposal. We did receive verbal confirmation of such, but see no condition in the current draft of the tariff which would allow for such exclusion to the default pricing. In fact, we note that the section which previously provided exclusion, Section 27.5.3.2, has been deleted in its entirety.

Calpine requests that Section 27.5.3.2 be reinstated and revised as follows:

27.5.3.2 Resource-Specific Designations in Integrated Balancing Authority Areas

In cases where an external generation owner chooses to designate a specific resource for participation in the CAISO Markets, the external generation owner may designate the resource as either a Pseudo Participating Generator, Dynamic Resource-Specific System Resource or a Non-Dynamic Resource-Specific System Resource, in which case the designated capacity will not be included in another aggregated System Resource, and the distribution factors for the default aggregated System Resource that represents the IBAA would be adjusted to reflect the remaining generation in the IBAA. If a Pseudo Participating Generator or Resource-Specific System Resource is established, such a resource would be settled at its LMP and not the price of the aggregated System Resource that represents the remainder of the IBAA.

Please do not hesitate to contact Rosemary Antonopoulos, Managing Counsel, with any questions on these comments.