

# Stakeholder Initiatives Catalog

***DRAFT***

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## **Summary:**

Calpine encourages the CAISO to focus on a limited number of high impact initiatives in 2013. Neither the CAISO, nor most market participants have the human resources to address all of the initiatives proposed. To assist market participants in their prioritization, we recommend the combination of some directly related initiatives and the deletion/reclassification of others. Specifically, we encourage the CAISO to combine 8.1, 8.3 and 8.4 into a single “forward attribute market” category, and to expand 2.6 and combine it with 3.10 into a single “non-priced energy and capacity” category. Additionally, we recommend that “data transparency” be added to the catalog. Finally, we recommend that the CAISO seek input on possible additional deferral of other FERC mandated items and additionally, go back to the Board and seek a deferral of action on 11.4 and.

## **Voting Efficacy**

Calpine understands that there will be a subsequent opportunity to vote on the discretionary initiatives. However, the usefulness of the vote tally will be compromised if one must choose between tightly-related (even cross-referenced) initiatives. As such, we recommend that the CAISO combine related initiatives into single topics. We highlight the following two groupings, both because they are illustrative, and because they will be Calpine’s two highest priorities.

## **Forward Attribute-Based Market**

At least 3 initiatives relate to the creation of a forward attribute-based market. Initiative 8.1 and its exact complement, 8.4 address must offer obligations for flexible and non-flexible resources. Both of these would be a part of a forward clearing mechanism very generally described in section 8.3.

Calpine believes that the creation of durable forward market is essential to meet the investment and integration challenges facing California. The CAISO should combine these initiatives into a single and clearly defined voting category.

### **Non-Priced Energy and Capacity**

Calpine applauds the CAISO for including initiatives 2.6 and 3.10 into the catalog. We have long asserted that Minimum Online Constraints and Exceptional Dispatch suppress prices and their effect must be incorporated into LMPs.

First, initiative 2.6 is narrowly defined to include only MOC costs and should be expanded to include the effects of Exceptional Dispatch. Next, initiative 3.10, since it is a potential solution to initiative 2.6 should be combined for voting purposes.

### **Data Transparency**

The data transparency initiative is not included in the catalog. We continue to believe that this initiative is critical, as market participants – and even the most informed consultants – are entirely unable to replicate the results of the CAISO models. We anxiously await the release of phase 3 information later this year. However, we anticipate that our concerns over information release will not be resolved and that continued focus on this initiative will be required.

### **Non-Discretionary and FERC items**

Calpine would support a filing seeking further deferral of certain FERC-mandated initiatives (e.g., 2.1, 2.2, 2.3, 3.5, etc.) and believes that the CASIO should include those in the voting process. Such deferral would allow scarce CAISO human resources to focus on issues of much higher impact.

In particular, Calpine would like to see the “non-discretionary” classification of the cost allocation of all market products (11.4) re-evaluated. Indeed, if our collective experience in discussing FRP cost allocation is any measure, Calpine is quite convinced that the Board might agree to defer such refinements. At a minimum, please allow market participants to express their interest in such a proposal.

Thanks