

Comments of Calpine Corporation On the CAISO's Draft Final GMC Proposal

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Submitted by	Company	Date Submitted
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General Comments.

Calpine's comments throughout this GMC stakeholder process have been critical of the policy proposal of charging GMC costs indirectly to suppliers rather than charging them directly to load. The CAISO theory that all prices will rise – and therefore leave suppliers financially unaffected – is questionable and particularly flawed as it relates to certain pre-existing contracts.

Calpine has, and continues to support the modification to the CAISO's proposal which addresses the pre-existing contract flaw. In comments submitted on February 11, Calpine highlighted and explained its support for grandfathering under the following headings:

- The Proposed Criteria are Appropriately Narrow
- The Rate Impacts of the Proposal are not Material on Others
- The GMC Costs of Grandfathered Contracts Still Increase Substantially
- The Impact of the GMC Change was Not Reasonably Foreseeable

Thank You