

Stakeholder Comments Template

Subject: Reliability Services

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the Second Revised Draft Straw Proposal for the Reliability Services initiative that was posted on October 22, 2014. Upon completion of this template please submit it to RSA@caiso.com. Submissions are requested by close of business on **November 19, 2014**.

Calpine generally supports the Second Revised Draft Straw Proposal (“the proposal”). Calpine offers a few minor comments on the proposal below.

1. Please provide feedback on Part 1: Minimum eligibility criteria and must-offer rules.

The proposal recommends an exemption for long-start PDR resources from mandatory participation in RUC, arguing that “It is not appropriate deplete a Proxy Demand Resource’s limited dispatches based on a day-ahead dispatch instruction through RUC.” Calpine requests clarification of this argument. It is not clear to Calpine why any DR resource should be subject to less stringent must-offer obligations than other RA resources.

2. Please provide feedback on Part 2: Availability Incentive Mechanism.

Calpine generally supports the elements of the proposal related to the Availability Incentive Mechanism. Calpine requests clarification of the term “eligible Pmin” in the availability formula on p. 41. Calpine believes that the term applies to the Pmin portion of resources that are capable of starting cold within 90 minutes and, consequently, for which the Pmin block of capacity is considered flexible. Relatedly, Calpine requests clarification that in no case will “eligible Pmin” be deemed “available” absent economic bids associated with capacity above Pmin.

Calpine also requests that the CAISO choose a different acronym for the AIM to avoid any potential confusion with the CAISO’s Access Identity Management application.

3. Please provide feedback on Part 3: Replacement and Substitution.

Calpine generally supports the elements of the proposal related to replacement and substitution.

Calpine urges timely consideration of the issues identified in section 10.3.5. Calpine routinely sells system RA from resources in local areas and, under current rules, faces the potential costs of substituting for the capacity of these resources with similar local capacity even when the capacity has not been sold as local RA. Ultimately, these costs inflate artificially the cost of system RA and/or discourage suppliers from selling system RA from resources in local areas.

4. Please provide feedback on the proposed Phase II of the RSI.

Calpine has no comments on Phase II of the RSI at this juncture.