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**Comments of Northern California Power Agency
Reliability Services Initiative
December 10, 2014 Working Group Meeting**

December 19, 2014

Northern California Power Agency (“NCPA”) appreciates the opportunity to provide the following limited comments in response to the CAISO’s presentation and discussion at the December 10, 2014 Reliability Services Initiative Working Group meeting.

Provision for Additional Penalties during CPM Designation

As described on slide 13 of the working group presentation, certain stakeholders have proposed that when a supplier does not provide substitute capacity for a forced outage that results in a CPM designation by the CAISO, that supplier would be subject to pay the RAAIM price plus an additional penalty. Pending further clarification of the proposal, NCPA does not support this concept. As described on slide 14 of the presentation there are several practical considerations that will need to be addressed if this concept were incorporated into the proposal. The RAAIM is already complex. To NCPA’s knowledge, the CAISO has never made a CPM designation due to the forced outage of a Resource Adequacy resource. As a result, NCPA believes this may be an answer looking for a problem, and NCPA does not believe the added complexity will provide material benefits. NCPA believes that the RAAIM price proposed by the CAISO is sufficient to incent resource performance.