



California Wind Energy Association

March 10, 2017

Chair Richard Maullin
Governor Ashutosh Bhagwat
Governor Mark Ferron
Governor Angelina Galiteva
Governor David Olsen
California Independent System Operator
Folsom, California
Via email to Stacey Karpinen (SKarpinen@caiso.com)

RE: PIRP Protective Measures – March Board Meeting

Dear Chair Maullin and Governors Bhagwat, Ferron, Galiteva, and Olsen:

Three years ago, the four of you who were serving at that time may recall that, as part of the transition to the Order 764 market, the Board established "Protective Measures" for wind and solar projects that were previously in the PIRP scheduling program. The Board agreed with CalWEA that those measures should be considered for a possible extension before cancelling them, rather than setting a hard sunset-date as originally proposed by staff. In removing the hard sunset, the Board recognized the fact that the affected generators cannot unilaterally change their contracts so that they conform to the requirements of the new market. We recently learned that CAISO staff is planning to propose that the Protective Measures be extended for one additional year and then expire. We think that we can live with a one-year extension, but request that the hard sunset be removed to allow the Board an opportunity to review the need for a possible extension next year.

This modification is important for two reasons. First, just as with the first three-year period, if a hard one-year deadline is established, the utilities will have extreme bargaining power and can either extract draconian concessions or simply refuse to negotiate, knowing that the projects face potentially material harm in due course. Second, we are doing our own research into the status of those that are receiving Protective Measures and it appears that only one or two generators may be eligible for and need protective measures after the one-year extension expires, assuming that several projects that are in the negotiating process now conclude successfully. If the field narrows that considerably, perhaps a more permanent solution can be developed on a case-by-case basis for those generators whose purchasing utilities have not been willing to renegotiate their contracts to enable the generators to respond to CAISO market signals.

I am attaching the comments that we submitted prior to the staff suggesting a one-year extension and sunset, which provide background information and further discussion of the issues.

We would be happy to answer any questions prior to, or at, next week's board meeting, which our attorney, Joe Karp, will be attending.

Thank you very much for your attention to this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Rader". The signature is written in a cursive, flowing style.

Nancy Rader
Executive Director