

Stakeholder Comments Template

Subject: Capacity Procurement Mechanism, and Compensation and Bid Mitigation for Exceptional Dispatch

Submitted by	Company	Date Submitted
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This template was created to help stakeholders structure their written comments on topics related to the August 16, 2010 Draft Final Proposal for Capacity Procurement Mechanism, and Compensation and Bid Mitigation for Exceptional Dispatch. Please submit comments (in MS Word) to bmcallister@caiso.com no later than the close of business on September 3, 2010.

Please add your comments below where indicated. Your comments on any aspect of the proposal are welcome. If you provide a preferred approach for a particular topic, your comments will be most useful if you provide the reasons and the business case.

Overall Proposal

1. Whether you support the overall proposal. **Generally yes.**
2. Whether the proposal strikes the appropriate balance among difficult issues.

YES

Capacity Procurement Mechanism ("CPM")

3. Whether the tariff provisions should have a specific sunset date or be open-ended. **No sunset date is appropriate or needed.**
4. The ability to procure capacity for planned transmission and generator outages or sustained, significant less-than-planned-output of intermittent resources.

Yes, but such authority should be used judiciously and not excessively.

5. The proposed treatment of procured capacity that subsequently goes out on planned outage during the period for which the capacity has been procured. **Support.**

6. Modification of the criteria under section 43.3 of the ISO tariff for selecting capacity from among eligible capacity. **Support**
7. Procurement of capacity that is needed for reliability and is at risk of retirement.

TURN can support this option but only if it is rarely used and well explained when it is used.

8. The compensation methodology for resources procured under CPM and Exceptional Dispatch.

TURN strongly supports basing compensation on going forward costs rather than CONE. However we believe the proposed increase in payments is too large to be absorbed in a single step and may be based on data that precedes the impact of the ongoing recession.

Exceptional Dispatch

1. Linking compensation for Exceptional Dispatch to the CPM Payment. **Support**
2. Extending the existing bid mitigation. **Support**

Other

1. Additional comments.

None at this time, thank you!