

From: Cherry, Brian K  
Sent: 2/16/2012 11:41:31 AM  
To: 'mc3@cpuc.ca.gov' (mc3@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: Fw: PG&E Protest to CAISO Sutter Proposal Filed At FERC

Our FERC comments

**From:** Huffman, Mark (Law)  
**Sent:** Thursday, February 16, 2012 11:40 AM  
**To:** Kuga, Roy M; Wan, Fong; Bottorff, Thomas E; Hapner, Dede; Cherry, Brian K; Strauss, Todd; Griffes, Peter; [Redacted] Hartman, Sanford (Law); Mathai-jackson, Grady (Law); Middlekauff, Charles (Law); [Redacted]; [Redacted] Frazier-Hampton, Janice Y; Eisenman, Eric; [Redacted] Horner, Trina; [Redacted] Manheim, William (Law); Jacobson, Erik B (RegRel)  
**Subject:** PG&E Protest to CAISO Sutter Proposal Filed At FERC

Hello all

Earlier today we filed our protest to the CAISO's request for a tariff waiver so it could procure capacity from Calpine's Sutter plant in 2012 using a "Capacity Procurement Mechanism" (CPM) designation. Our protest is attached. Thanks to everyone for their feedback on the earlier drafts.

In summary, our protest asked FERC to reject the CAISO's proposal for the following reasons:

- The CAISO's proposed action would not address the concern that the CAISO articulates as the justification for its extraordinary request, that the Sutter plant will be off line at the end of 2017;
- The CAISO's proposed action would infringe on the California Public Utilities Commission's (CPUC) statutory obligation to address long term resource reliability, currently being evaluated in the CPUC's Long Term Procurement Plan proceeding;
- The CAISO's proposed action could undermine the resource adequacy market in California;
- The CAISO's proposed action would not allow other, possibly better supply or demand side options any opportunity to meet the need the CAISO perceives at the end of 2017;
- The CAISO's proposed action would extend the reach of the Capacity Procurement Mechanism in the CAISO's Tariff far beyond its intended purpose; and

- The CAISO proposed action would prejudge the CAISO's own, just initiated "flexible capacity procurement" stakeholder process.

A team is following the Sutter matter generally, and we will keep you informed of developments.

Mark

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