



Dynegy Marketing & Trade Comments on CAISO Aliso Canyon Gas Workaround

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In response to a leak from the Aliso Canyon Storage Facility & So Cal Gas's subsequent filing with the CPUC to require a much more stringent balancing requirement (5%) on gas-fired generator burns on their system the ISO initiated a stakeholder process and proposes changes to the treatment of gas-fired generation that relies on the So Cal Gas System (including Aliso Canyon Storage Facility)

Dynegy appreciates the opportunity to provide input on the proposed solutions and enthusiastically supports the comments of Western Power Trading Forum, an organization of which Dynegy is a Board-level member. Dynegy's comments are as follows:

- ❖ The proposed solutions are too limited in scope; market modifications (workarounds) should apply to the entire CAISO footprint, NOT just the area affected by So Cal Gas & the Aliso Canyon Storage Facility (gas-fired generators in SP-15)
 - The use of "gas outage cards" – Dynegy is concerned that the use of gas outage cards will create different classes of RA without a corresponding change in the demand or value. Will there be a requirement to replace RA Capacity when a unit is on a "gas outage"? Currently, units are required to replace RA Capacity even when on an approved maintenance outage. If CAISO cannot call on units on a "gas outage" and they're not required to replace the capacity, how will CAISO maintain sufficient reserves and protect reliability?
 - Shifting the burden of providing flexibility - The impact of the "gas workarounds" for generators that rely on So Cal Gas & Aliso Canyon means that the burden of providing flexibility will be placed on the rest of the system, further exacerbating market rules that don't allow generators to bid in their expected fuel and imbalance costs and requires CAISO to dispatch and mitigate the suppliers based on stale data.
 - CAISO actions – will have an impact on market clearing prices. CAISO should strive to ensure that both day-ahead and real-time prices correctly reflect system conditions and the value of the energy and ancillary services provided.
 - Interties - Will CAISO look to the interties for flexibility? If so, how?

Thank you for this opportunity to provide comments.

