



California ISO
Your Link to Power

CHP Technical Working Group

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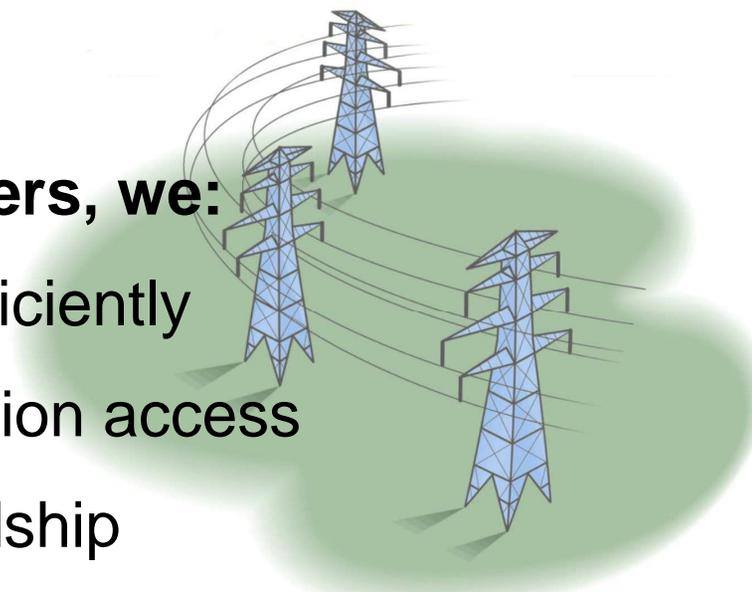
CAISO Responsibility

California ISO Mission

For the benefit of our customers, we:

- Operate the grid reliably and efficiently
- Provide fair and open transmission access
- Promote environmental stewardship
- Facilitate effective markets and promote infrastructure development

All through the provision of timely and accurate information.



Facilitating environmental initiatives will change how we operate – and CHP can help

- CHP can provide efficient energy supply near load centers
- CHP can
 - Contribute to market competitiveness
 - Participate in new market products
 - Provide reliability service to integrate renewables
- If the facilities have...
 - Operational flexibility
 - Contractual flexibility

General Requirements for Generators

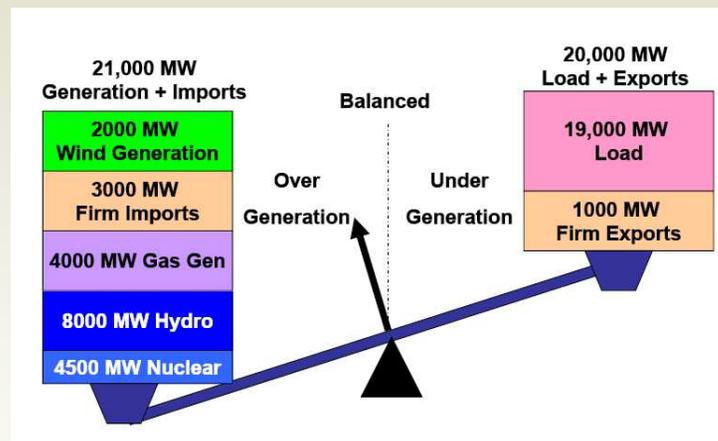
- Participating Generator Agreement (PGA) required for generating units 1 MW or larger
- Scheduling Coordinator for bidding and settlement
- CAISO polled revenue metering and meter service agreement
- Direct telemetry to CAISO EMS (10 MW+)
 - EIR Telemetry to 1 MW
- CAISO Interconnection Process (for direct connection) for new installations
- Outage Coordination

QF PGA Flexibility for Cogen/CHP

- Participating Generator Agreement (PGA) Required for Generating Units 1 MW or Larger
- QF PGA Is Modified Version of PGA to Provide Special Treatment for QFs under CAISO Tariff
 - Net Metering (Aggregate Generation/Self-provided Load)
 - Telemetry Only of Net
 - Operating Limitations Honored
 - Minimum Operating Limit and Other Limitations Specified in QF Operating Instructions
 - CAISO Dispatch Only per Bids or System Emergency
 - No Damage to QF Equipment
 - No Penalty for Operation at Minimum Operating Limit Regardless of CAISO Final Schedule or Operating Order

How does CHP impact overgeneration concerns

- Historically overgeneration occurs during early morning hours, minimum load, hydro runoff, etc.



- New renewable resources can contribute to overgeneration
- CHP can help solve it.

The ISO will achieve its mission while facilitating environmental initiatives

- Renewable Integration
- New Products
 - Under development
- Working with CHP/Cogen
 - Understand operational flexibility and restrictions
 - Find common ground for enhancing participation Energy Imbalances

