

NRG Energy comments.txt

From: Comnes, Alan
Sent: Saturday, July 22, 2006 6:47 AM
To: Sparks, Robert
Subject: FW: ISO Phase 2A Generation Deliverability Study

Second try at sending ...

Robert,

NRG appreciates the opportunity to submit comments on this study.

Unfortunately NRG has technical questions regarding the study and the full policy implications of this study are not clear. NRG recommends follow up meetings so that stakeholders can better understand the results of the study. NRG requests also that each generator in the queue receive a project-specific summary of the study's results.

In particular, NRG needs further explanation of the deliverability problems associated with the Greater San Diego area. If existing 1-in-5 peak loads in the San Diego area are approximately 4,400 MW and installed capacity is at about 2,900 MW (including Palomar), how is it possible that north-of-SONGs constraints are causing deliverability restrictions on any projects that increase total area MWs by more than 200 MW (for a total in area capacity of about 3,100 MW)? This needs further explanation. If off peak months or hours are causing the constraint, this should be noted and the implications with respect to the CPUC's RA program (which is currently a summer-only obligation) explored.

More generally, what does it mean when a unit located in a load pocket is deemed "undeliverable"? By definition a MW in a load pocket should be able to serve local load. Is CAISO saying the local MW cannot meet elsewhere? Even if this is true, it reasonable to conclude that such a MW that meets a local requirement does not qualify to be a system RA resource?

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NRG also has concerns about imports and whether they are implicitly being given a higher priority than in-area MWs. For example, what are the assumptions regarding imports that leads to the claim that deliverability in the greater San Diego area is constrained by 2,800 MW?

Finally, NRG is having difficulty understanding the implication of the study of other projects on the queue but not necessarily referenced in the study tables.

Sincerely,

G. Alan Comnes

Director of Regulatory and Government Affairs

NRG Energy, Inc.