

Submitted By	Company	Date Submitted
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- Risk of Retirement Process Enhancements.** Because the “Risk of Retirement Process Enhancements”, ranked 3rd highest among the discretionary initiatives, deals only with timing and process issues, it is of insufficient scope to effectively identify and address the need to retain generating resources beyond the next RA year. As such, the “Grid Reliability” ranking of 10 for this issue is greatly overstated. If the Grid Reliability ranking was reduced to reflect the true scale of this initiative, this initiative would not be ranked highly enough to be one of the four discretionary issues the CAISO intends to pursue in 2017. Rather than proposing to reduce the “10” Grid Reliability score, NRG urges the CAISO to properly re-scale this initiative so that it will provide the CAISO with a tool that allows the CAISO to prevent the retirement of generation needed for reliability more than a year in advance. Given the generation retirements to date and the looming wave of retirements of once-through-cooled generation, it is important to move forward expeditiously with this initiative, but with a meaningful scope, not with the current limited scope.
- CRR Auction Efficiency.** Whether this initiative belongs in the top four of discretionary initiatives, and how this initiative will address the fundamental issues leading to CRR underfunding (some of which stem from causes unrelated to economics, such as the great difference between the network model used to allocate and auction CRRs and the network model used for operations) will depend on the results of the analysis that the CAISO describes as a key precursor to this initiative.¹ This important analysis must be independent, thorough, and thoroughly vetted with market participants before it is finally determined that this initiative is to be included in the discretionary initiatives pursued in 2017.
- Regionalization initiatives.** Given the lack of near-term deadlines for moving forward with regionalization, and the apparent change in political appetite for this initiative, the CAISO should consider suspending all regionalization (not EIM) initiatives for 2017 and devoting the staff resources currently devoted to regionalization to working on other discretionary initiatives. For example, one of those other discretionary initiatives, Export Charges, could provide some of the benefits that Regionalization is expected to provide and would seem a strong candidate for adding to the list of discretionary initiatives to be tackled in 2017. If the CAISO intends to continue to pursue Regionalization-related initiatives, the CAISO should lay out for market participants a clear case for why it is necessary and effective to move forward with those initiatives at this time.

¹ December 15, 2016 2017 Policy Initiative Roadmap at Page 4.

- **Focused smaller-scale initiatives and lack of CAISO bandwidth.** In its last set of comments on the stakeholder initiative roadmap process,² NRG noted that some proposed initiatives involved smaller-scale issues of binary nature, and, because the CAISO lacked the staff bandwidth to take on such issues, they would simply languish in an unresolved state. NRG acknowledges that the CAISO indicated it did not provide written responses to all of the comments the CAISO received in this initiative,³ but encourages the CAISO to respond to such comments after the policy roadmap for 2017 is established.

² http://www.caiso.com/Documents/NRG_RevisedDraft2017StakeholderInitiativesCatalog_Roadmap.pdf

³ December 15, 2016 2017 Policy Initiative Roadmap at Page 5.