

Submitted By	Company	Date Submitted
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The CAISO seeks the following comments with regards to the draft Stakeholder Initiatives Catalog ("SIC"):

- **Questions or clarifications** regarding initiatives listed in catalog.
- **Proposed initiatives not listed in catalog.** Stakeholders may provide written comments, including a detailed explanation of new initiative, how it may affect market participants and/or reliability or efficiency of market, and when it needs to be addressed.
- **Proposed deletions to initiatives listed in catalog.** Stakeholders may provide written comments, including detailed explanation of reason ISO should delete an initiative listed in catalog or reason ISO should not delete an initiative it proposes to delete (see section 13.)

Questions or clarifications

The CAISO lists several initiatives on which it has not yet begun work as "FERC-mandated":

- 3.9 Stepped Transmission Constraint
- 5.4 Frequency Response Requirements
- 5.7 Voltage Support Procurement

Will these FERC-mandated initiatives be given priority in the list of 2015 initiatives? If not, why not?

Proposed initiatives not listed in the catalog

In several places in the SIC (e.g., with regards to initiatives 13.3 (Develop a Process for Enforcement/Un-enforcement of Constraints) and 13.15 (Improve Transparency)) the CAISO has proposed to delete initiatives because those initiatives are "process improvements" rather than "market design initiatives". While the stakeholder initiatives ranking process has had little practical effect on the initiatives that the CAISO decides to focus on, this position begs the question of – how do market participants seek changes to processes? Through the BPM change management process? Through some other forum? If the CAISO is going to differentiate between "market initiatives" and "process improvements", it should identify the vehicle through which market participants can seek changes to CAISO processes.

Comments on Proposed Deletions:

13.3 Develop a Process for Enforcement/Un-enforcement of Constraints (D). The CAISO notes that this initiative "[s]hould be deleted because this is a potential process improvement and not a stakeholder initiative that would result in a market change." (SIC at 48) NRG disagrees that this item is merely a "potential process improvement". Market results are affected by the CAISO's decision to enforce or not enforce a constraint. Consequently, NRG does not support the deletion of this initiative.

13.7 Preferred Resources Operating Characteristics (D). The CAISO observes that “[t]he ISO is working on the various topics listed above with stakeholders in the CPUC’s LTPP, resource adequacy and demand response proceedings and in the ISO’s “Reliability Services” stakeholder initiative.” PG&E proposed this initiative to urge greater coordination among the ad hoc efforts listed in the SIC. NRG concurs with PG&E that disjointed ad hoc efforts are unlikely to provide much clarity with regards to an important topic, namely, how preferred resources count towards meeting local capacity requirements. NRG would not object to deleting this initiative if there was a clear path forward for addressing the ability of preferred resources to meet operational needs, but currently does not believe that such a path exists, and asks the CAISO to identify that path before deleting this initiative.

13.8 Modify Resource Adequacy Replacement Rules. The CAISO proposes to delete this initiative because “[t]he topic is being addressed in the ISO’s current “Reliability Services” stakeholder initiative. As NRG understands, while the CAISO initially proposed to modify rules to eliminate this inequity, the CAISO subsequently has decided not to modify the current replacement rule that requires suppliers to replace system capacity within a local area with local capacity, effectively turning an inferior product into a superior product. NRG does not support this decision and does not support the deletion of this initiative from the catalog.

13.10 Standard Capacity Product for Demand Response (F). The CAISO is proposing to apply SCP provisions only to Proxy Demand Resources. However, FERC did not make a distinction between supply-side DR and demand-side DR in its order directing the CAISO to apply SCP provisions to DR. To the extent that DR counts as Resource Adequacy Capacity, SCP provisions should apply.

13.15 Improve Transparency (D). As with initiative 13.3, the CAISO proposes to delete this initiative “because this is a potential process improvement and not a market design initiative.” Assuming this assertion is true, it still begs the question of – how do market participants get greater transparency with regards to CAISO market outcomes and processes? Simply deleting this initiative leaves no path for addressing this question.