



November 1, 2017

California Independent System Operator Board of Governors:
Richard Maullin, Chair
Ashutosh Bhagwat
Mark Ferron
Angelina Galiteva
David Olsen

To the Members of the CAISO Board:

On October 17, 2017, the CAISO posted a market notice indicating that was terminating an initiative (the “Temporary Shutdown of Resource Operations” initiative) that was intended to explore the conditions under which a generating unit that is under no contractual commitment to any party, including the CAISO, could take an “economic outage”, that is, could make itself unavailable for reasons other than those related to the physical operating characteristics of the generating unit. In this market notice, the CAISO asserted that “stakeholder support was not achievable given the intractable differences in stakeholder positions”. NRG Energy, Inc. (“NRG”) did not support the CAISO’s proposed final position in this initiative because it perpetuated the CAISO’s continued inappropriate reliance on non-Resource Adequacy (“RA”) capacity. Nevertheless, NRG objects to the CAISO terminating this relatively short stakeholder process simply because the CAISO did not achieve what it perceived was a necessary level of support, nor was the CAISO willing to give up its continued reliance on non-RA capacity.

I write to respectfully request that you direct the CAISO to resume this initiative. The logical and equitable outcome of this process should not be complicated: capacity that is under no forward obligation to the CAISO or any entity should be allowed to take an outage of up to a year’s duration for any reason at any time. Such capacity has been clearly deemed by the CAISO and other regulatory authorities to be unneeded for reliability. Requiring such uncontracted capacity to require a physical reason to take an outage simply perpetuates the CAISO’s reliance on non-RA capacity, to the detriment of developing and administering an RA program that properly identifies and compensates the generation needed to maintain reliability.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Brian Theaker', is written over a light blue circular stamp.

Brian Theaker
Director, Regulatory Affairs
NRG Energy, Inc.
100 California, Suite 400
San Francisco, CA 94111