

NRG Energy, Inc. Aliso Canyon Phase 3 Draft Final Proposal Comments

Submitted by	Company	Date Submitted
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NRG concluded its June 14 comments on the Aliso Canyon Phase 3 Straw Proposal this way:

In sum, while the continued suspension of regular operations at Aliso Canyon has prompted the CAISO to implement a series of interim measures, NRG opposes making any of those measures permanent or extending their reach to other parts of the CAISO system until the CAISO has completed its comprehensive re-evaluation of its bidding rules, addressed the deficiencies in those rules, and developed detailed and transparent rules for suspending virtual bidding and deeming areas to be non-competitive.

In the Draft Final Proposal, the CAISO observed that the Commitment Cost and Default Energy Bid Enhancement ("CC-DEBE") stakeholder process schedule was not affected by the Aliso Canyon Phase 3 process, and, in fact, the CAISO was accelerating the Aliso Canyon Phase 3 process so it could focus resources on completing the CC-DEBE process by November 2017, with implementation slated for fall 2018.¹

While NRG appreciates that perspective, NRG believes that completing the CC-DEBE process by November 2017 seems unlikely, at least if the CC-DEBE process is to result in fundamental changes to CAISO bidding rules. Fall 2018 implementation of any fundamental changes to bidding rules seems equally, if not more, unlikely. As evidence, the CAISO indicated at the May 18, 2017 Market Performance and Planning Meeting that it would publish a CC-DEBE straw proposal in June;² no proposal has been posted as of this writing.

NRG appreciates the CAISO's discussion of stakeholder comments in the Draft Final Proposal, and would like to be encouraged by the idea that a quick completion of the Aliso 3 stakeholder process would lead to a renewed commitment to CC-DEBE - but it can't be. Given NRG's belief that both a November conclusion to CC-DEBE (if CC-DEBE is, in fact, going to produce any meaningful changes to bidding rules) and fall 2018 implementation seems unlikely, NRG remains opposed to making any of the Aliso Canyon mitigation measures permanent or extending their scope to the whole EIM area until CC-DEBE has been completed and implemented.

¹ Draft Final Proposal at 5.

² Presentation for May 16, 2017 Market Performance and Planning Forum at slide 83

(http://www.caiso.com/Documents/Agenda-Presentation-MarketPerformance-PlanningForum-May16_2017.pdf)