

NRG Energy, Inc. Comments on Black Start & System Restoration Phase 2 March 14, 2017 Draft Final Proposal

Name	Company	Date Submitted
Brian Theaker	NRG Energy, Inc. ("NRG")	April 5, 2017

NRG offers these comments on the March 14, 2017 Draft Final Proposal:

- **Process.** NRG supports the CAISO procuring black start service through a competitive solicitation among the resources that would be qualified to provide the service by virtue of being located in the area in which the black start service is required.
- **Information to be provided prior to the procurement process.** NRG reiterates its request for the CAISO to provide as much information as possible to prospective bidders prior to the competitive solicitation, including, but not limited to:
 - the electrical and geographic area in which the CAISO will seek to procure the black start service, including providing clear electrical boundaries are the defined area by substation or circuit;
 - the black start operating characteristics that will be required (start-up time, energy duration required, etc.);
 - the reliability standard and CAISO tariff and relevant BPM requirements with which the black start resource owner will have to comply;
 - the detailed criteria which the CAISO will use to evaluate and select the black start resource, including how the source of the black start power will be evaluated and how alternate on-lines dates will be considered; and
 - other information that would be useful for the prospective bidders to know when responding to the solicitation.
- **Black Start Agreement.** NRG does not oppose the black start agreement being a three-party agreement between the PTO, the resource owner and the CAISO. NRG appreciates the CAISO's commitment to releasing a *pro forma* copy of the black start agreement prior to the solicitation. From the CAISO's schedule, it is not clear if there will be an opportunity for market participants to comment on the proposed *pro forma* agreement, or if the only opportunity for modifying the proposed *pro forma* agreement will be for the owner of the resource selected in the competitive solicitation.
- **Cost recovery.** NRG agrees that a cost-of-service approach is reasonable.
- **Possible PTO conflicts.** NRG reiterates that it will be important for the CAISO and PTO to address the potential for or perception of conflicts of interest with the PTO through the black start selection process.
- **Cost allocation.** NRG supports the CAISO's proposal to allocate the costs of black start service through the PTO's Reliability Services tariff.