

NRG Energy, Inc. Comments on Revised Flexible Ramping Constraint Proposal

Submitted by	Company	Date
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NRG submits these comments on the CAISO's November 29, 2011 Revised Straw Proposal for Flexible Ramping Products.

NRG continues to support the CAISO's efforts to develop a biddable market ramping product.

The CAISO is seeking comment on whether the energy bids associated with FRP acquired in the day-ahead market should be "locked" so they cannot be changed in real-time. NRG believes the treatment of real-time energy bids associated with the FRP should be consistent with the current treatment of real-time energy bids associated with other day-ahead-awarded ancillary services.

NRG supports the CAISO's proposal to allocate FRP costs in the same way regulation costs are allocated. NRG's earlier comments noted that allocating FRP procurement costs on the basis of deviations creates the possibility of resources being allocated volatile, unpredictable costs, a departure from the CAISO's recent move towards more predictable Grid Management Charge rates. NRG expects the topic of cost allocation will continue to be more fully discussed in the RIMPR-2 process.