

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative "Capacity Procurement Mechanism Risk-of-Retirement ("CPM ROR") Process Enhancements."

Submit comments to [InitiativeComments@CAISO.com](mailto:InitiativeComments@CAISO.com)

**Comments are due July 12, 2017 by 5:00pm**

The Straw Proposal posted on June 20, 2017 and the presentations discussed during the June 27, 2017 stakeholder conference call can be found on the [CPM ROR](#) webpage.

Please use this template to provide your written comments on the straw proposal topics listed below and any additional comments that you wish to provide.

### 1. Who can apply

#### Comments:

NRG agrees with the CAISO's clarification that any resource, including those that are currently RA, RMR or under a CPM designation, can apply.

### 2. Timing

#### Comments:

NRG agrees with the two-window proposal.

With regards to the proposal to allow 30 days for an LSE to procure the resource if the CAISO determines it is needed, if the CAISO determines that the resource is need in the current year, delaying the start of payment by 30 days to allow the LSE to procure the resource could invite the LSE to simply delay the beginning of compensation. NRG suggests this period be substantially shortened in the situation in which the resource is needed in the current year.

The CAISO, on page 16, seems to suggest that the CAISO might not notify the resource that submits a request in the April window if it is needed. The Straw Proposal says: *“The CAISO will use this information [information regarding the likelihood that the unit will be contracted in the next year] to assess whether it is unlikely that the resource would be procured as RA for the upcoming RA compliance year. This information will also assist the CAISO in determining whether the RA market might be adversely impacted if the CAISO were to conditionally designate the resource for the upcoming RA compliance year in its April window analysis.”* NRG requests the CAISO clarify the conditions under which it would not conditionally designate the resource if the analysis determined that the resource was needed.

### 3. Application Requirements

#### Comments:

NRG does not object to the proposed modifications to the attestation requirements.

While NRG understands that a resource owner would not have to provide all of the demonstrations that it would not receive an RA contract for the succeeding year (listed on pages 15-16 of the Straw Proposal), some of the things that the CAISO proposes that a resource owner would have to show are unreasonable. Item (1) is burdensome, but analogous to the requirements under the current process. Item (4) appears to be a “bring us a rock” exercise – how many LSEs would the resource owner have to canvass to make such a representation?

With regards to the requirement that a resource must have been offered into all applicable competitive solicitations for the current and following year in order to be eligible for a CPM RoR designation, the CAISO should recognize that, given past practice, the LSEs may have conducted no such solicitations for the next RA year conducted by the April application window. Further, offers into the annual CSP process are not due until seven business days after the last business day in October. NRG does not believe the CAISO means that a resource applying in the April window would have to have submitted a bid into the annual CSP process when that bid is not due until months later – but seeks clarification on this point.

### 4. Selection Criteria when there are Competing Resources

#### Comments:

No comment.

## 5. Term and Monthly Payment Amount

### Comments:

NRG supports the proposal to modify the tariff to indicate that the payments will be made on a “balance of year” concept, so that there will be no gap in payment (e.g., payments will start in January if a resource is needed in the summer.)

## 6. Cost Justification

### Comments:

NRG questions the requirement that a resource would not be eligible for the CPM soft-offer cap price of \$6.31/kW-year. That price, based on the going-forward costs of a proxy unit, has been deemed to be free of the exercise of market power. On that basis, it would not seem unreasonable to pay that price to a unit that the CAISO has determined is essential to the reliability of the system.

## 7. Decision to Accept

### Comments:

NRG supports the CAISO’s proposal to allow the resource owner to accept or reject the designation.

## 8. Other Comments

Please provide any additional comments not associated with the topics listed above.

### Comments:

NRG has no other comments.