

<b>Submitted By</b>	<b>Company</b>	<b>Date Submitted</b>
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NRG submits these comments on the CAISO's Second Revised Contingency Modeling Enhancements Straw Proposal and Southern California Edison's alternative ("Regional Flexibility Markets") proposal.

NRG supports the CAISO's efforts to implement the preventive-corrective capacity framework on a nodal basis. This model will help ensure that the CAISO procures the right amount of capacity in the right location to address reliability standards requirements.

With regards to the discussion regarding assessing local market power, NRG agrees that it would be reasonable to exclude minimum load energy from the calculation of the amount of energy/capacity that could be withheld if the unit is self-scheduled or committed through the optimization.

NRG appreciates Southern California Edison's (SCE's) efforts to provide an alternative to the CAISO's proposed nodal preventive-corrective approach. NRG offers these comments on the SCE alternative:

- First, with regards to SCE's proposed regional approach, the CAISO's experience with zonal congestion management and ancillary service zones strongly suggests that regional procurement of preventive-corrective capacity may not be sufficiently granular or locationally precise to meet the CAISO's capacity needs.
- Second, SCE's proposal to use the existing ancillary services markets and products in lieu of preventive-corrective capacity does not align with the CAISO's long-standing reticence to use these products in a different fashion (that reticence included the CAISO's reticence to use ten-minute products to address longer duration needs) than for system needs. Additionally, the CAISO's current zonal AS approach – which would be applied to the procurement of existing AS products - suffers from the problem noted in the first point above.
- Finally, the proposed use of RUC to provide some of the preventive-corrective capacity further complicates the nature of the reliability service(s) the CAISO acquires through RUC. Additionally, the compensation provided through RUC may be different than the compensation provided to resources through the CAISO's AS markets.

NRG supports the CAISO's proposal to provide a "proof-of-concept" analysis and looks forward to having the results presented to market participants.