

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
Brian Theaker <a href="mailto:brian.theaker@nrg.com">brian.theaker@nrg.com</a> 530-295-3305	NRG Energy, Inc. ("NRG")	June 6, 2017

Please use this template to provide your written comments on the stakeholder initiative  
“Temporary Suspension of Resource Operations.”

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

**Comments are due June 6, 2017 (per May 26 e-mail from Jody Cross)**

The Issue Paper posted on May 10, 2017 and the presentations discussed during the May 19, 2017 stakeholder conference call can be found on the [TSRO Website](#).

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

### 1. Scope of Initiative

Please provide any comments on the scope of this initiative.

#### **Comments:**

First, NRG appreciates the CAISO following through on the commitment it made in the La Paloma complaint proceeding (EL16-88) to conduct a stakeholderprocess to consider issues germane to a non-contracted generating unit seeking an outage from the CAISO.

NRG understands the CAISO's rationale for referring to a non-contracted generating unit making itself unavailable to the CAISO for a period of time for whatever reason as a "temporary suspension of resource operations", reserving the term "outage" for other purposes.

## 2. Identified Issues

Please provide any comments on the issues that have been identified thus far in the initiative, including whether there are other issues that you would like to identify.

### Comments:

NRG offers the following comments on the issues identified by the CAISO on page 8 of the issue paper:

1. Whether the CAISO may allow a Participating Generator to temporarily suspend operation of its Generating Unit for economic reasons, and the conditions under which the CAISO would grant that request.

The CAISO should grant a temporary suspension of operations to an uncontracted generating unit without condition, except for a reasonable limit on the suspension period. Such a unit has been deemed to be unnecessary to maintain reliability.

2. If the CAISO may allow a Participating Generator to temporarily suspend operation of its Generating Unit, the form of compensation, if any, the CAISO would provide the Participating Generator if the CAISO denies the Participating Generator's request to take the Generating Unit out of service.

If the CAISO does not allow a non-contracted generating unit to temporarily suspend resource operations, such denial constitutes a *de facto* indication that the generating unit is needed to maintain reliability, and the generating unit should be provided with a CPM designation and associated compensation.

3. The CAISO may want to establish a limit on the minimum amount of time that a Generating Unit can suspend its operations, and perhaps a maximum amount of time. Note that under the current BPM for Generator Management if the Generating Unit does not operate at the end of the three year period it loses its Deliverability. Further, the CAISO only allows a Generating Unit to not generate for one year before the CAISO requires the Participating Generator to determine a plan. Another consideration is whether the amount of time for suspension might be tied to the next resource adequacy procurement cycle and the Participating Generator would need to reapply.

NRG agrees that there should be a limit on the amount of time a generating unit may temporarily suspend operations without retiring or returning to operation. Similar to the time that the CAISO allows for a retiring generating unit to establish a plan to retain

its deliverability, NRG offers that the maximum term for a single temporary suspension should be one year. At that point, the resource should be required to return to operation, retire, or renew the suspension. If the resource renews the suspension, it should be required to submit a plan to retain its deliverability.

4. The CAISO will need to establish a specific timeline for requesting suspended resource operation allowing for appropriate operations planning time and notification of approval and denial.

NRG agrees that the CAISO should establish a procedure and timeline for seeking and granting a temporary suspension of resource operations. Given that the non-contracted generating unit at issue has already been deemed non-essential for reliability, the application and review process should happen expeditiously.

5. Is there a level of “return-ability” that would need to be maintained while the Generating Unit is in suspension?

NRG is unclear as to what the CAISO means by “return-ability”.

If, by “return-ability”, the CAISO means “the ability for the unit to return to service after the suspension period is over”, NRG agrees that the generating unit owner should preserve the unit in this state and not take action that would prevent the unit from not being able to return to service without notifying the CAISO of those actions before they are taken.

If, by “return-ability”, the CAISO means “the ability for the unit to return to service within the suspension period at the CAISO’s request”, NRG does not see the need for the generating unit to maintain such a state, absent some kind of payment to ensure a state of “return-ability”. Should the CAISO make that kind of request, it must be willing to compensate the unit owner for all costs incurred to return the unit to service before the suspension period is over, plus ensure a minimum-term CPM designation once the unit has been returned to service. Again, such a non-contracted resource has been declared to be not needed for reliability. Requiring that the unit maintain some state of “return-ability” implies it is needed under some circumstances. If it is needed, it should be under an RA contract.

6. If a Participating Generator has temporarily suspended operation of its Generating Unit, it seems that during that time period the Generating Unit should not be eligible to be used as a resource adequacy resource in a resource adequacy showing.

Agreed.

7. A Generating Unit that has suspended operations in one balancing authority area and is now operating in an adjacent balancing authority area should not be able to be counted as a resource adequacy resource in the balancing authority area for which it has suspended operation during the time period for which it has suspended operations.

Agreed.

### **3. Other Comments**

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

#### **Comments:**

As NRG sees it, the “difficult” issues in this process center around the time the resource may “temporarily” suspend resource operations and the process for extending that time. NRG looks forward to the CAISO’s straw proposal in this matter.

NRG does not view as controversial or “difficult” the premise that an uncontracted unit that the CAISO does not permit to temporarily suspend operations is entitled to a CPM designation. Such a unit has been deemed to be unneeded for reliability. Denying a suspension amounts to a de facto indication that the unit is needed for reliability, which should immediately result in a CPM designation.