

NRG Energy, Inc. Comments on  
Intertie Pricing Inconsistency

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NRG Energy, Inc. (“NRG”) submits the following comments on the CAISO draft final proposal regarding pricing inconsistency at the interties.

NRG does not support Option A. Option A, which could produce different prices for physical and virtual intertie awards, violates the second consensus principle that came out of the convergence bidding design process, namely, that physical and virtual intertie awards should share the same congestion price. The possibility of separate prices for physical and virtual awards invites unintended consequences.

While NRG understands the problems caused by being paid less or charged more than one’s bid price, in light of the relatively modest amount of money at issue (per the draft final proposal at 4, this issue amounts to \$250,000 a month on the export side, a figure considerably less than the sums involved in the real-time imbalance energy offset issue), NRG urges the CAISO not to rush towards implementing Option A, but to consider other alternatives, including WPTF’s suggestion to reconsider enforcing the constraint on simultaneous physical and virtual schedules.