

NRG Energy, Inc. Comments on Flexible Ramping Product Revised Straw Proposal

Submitted By	Company	Date Submitted
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NRG strongly opposes the CAISO's proposal to eliminate all bidding for the flexible ramping product ("FRP").

Eliminating day-ahead capacity bidding for FRP while allowing the procurement of FRP to be co-optimized with the procurement of other CAISO ancillary service products that allow for Day-Ahead capacity bidding will undermine the pricing in the CAISO's current ancillary services markets.

Eliminating day-ahead bidding for FRP also undermines the expectations that the CAISO would seek to replace the service acquired through the flexible ramping constraint – implemented nearly three years ago – with a fully biddable market product.

With FRP being contemplated as a purely "system" product, there should be little concern about the exercise of market power. In any case, such concerns could be easily mitigated through the application of a reasonable bid cap.

For all of these reasons, NRG respectfully urges the CAISO to allow day-ahead bidding for the FRP.