

Submitted by	Company	Date Submitted
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With regards to the tariff language:

The proposed new sentence lacks the verb "is". Additionally, the numeric value for the relaxation parameter should include the proper units. Finally, if the CAISO is going to include the Flexible Ramping Constraint relaxation parameter value in tariff language, it should include all of the market optimization parameters in tariff language. The default assumption should be that modifying an optimization parameter will affect the rates, terms or conditions of service provided under the CAISO tariff. If the CAISO can demonstrate that modifying an optimization parameter will not affect rates, terms or conditions of service under the CAISO tariff, then those parameters need not be listed in tariff language.

With regards to the policy of lowering the FRC relaxation parameter:

Reducing the FRC relaxation parameter will reduce the level of compensation that is paid to generators for providing flexibility under the terms of a FERC-approved settlement. When the CAISO submits the proposed tariff language to FERC, it must also provide a thorough, detailed explanation as to why this change is required, the consequence of leaving the FRC relaxation value at its current level, and how this change will impact generators. This explanation must be supported by the operating data already obtained under the Order 764 market.