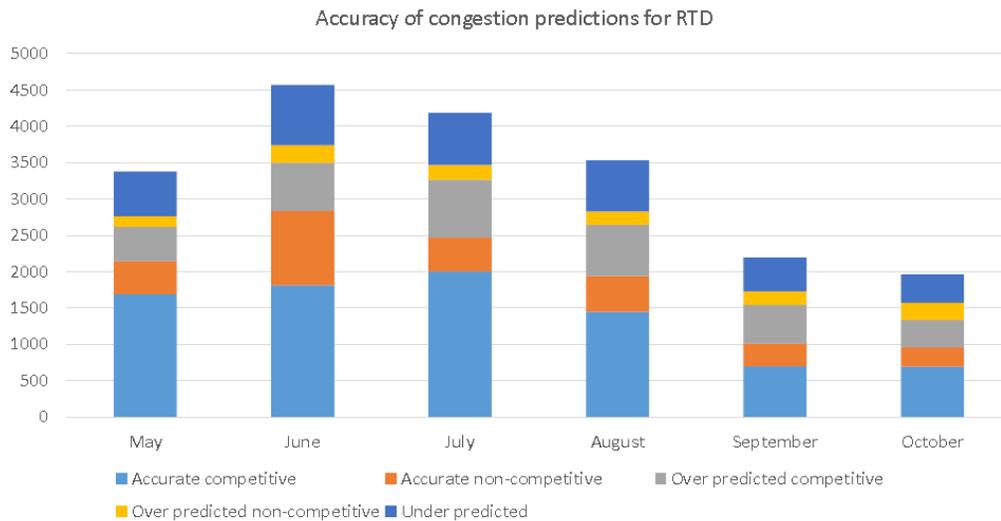


NRG Energy, Inc. Comments on  
November 25, 2015 Local Market Power Enhancements 2015 Straw Prop0sal

Submitted By	Company	Date Submitted
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**Running LMPM in the Binding RTPD Interval.** NRG supports the CAISO’s proposal to conduct Local Market Power Mitigation (LMPM) in each binding 15-minute Real-Time Pre-Dispatch (RTPD) run. Using the same inputs for market optimization that occurs in the binding RTPD interval and the LMPM applied in that interval should reduce the amount of mis-applied mitigation, both over-and under-mitigation. This approach has the added benefit of carrying mitigated bids only through the binding RTPD 15-minute interval instead of through the entire hour. While any process that carries forward a mitigated bid that did not need to be mitigated is sub-optimal, reducing the length of the carry-forward period is an improvement.

While the CAISO lays out a rational case for carrying forward mitigation from RTPD to the Real-Time Dispatch (RTD) to address concerns about exposing resources to unfavorable Bid Cost Recovery (BCR) results on pages 10-11, carrying forward mitigation that should not have been applied in the first place is still problematic. As the figure on slide 8 of the CAISO’s presentation for the December 4 call<sup>1</sup> shows, the amount of over-predicted congestion on non-competitive constraints observed from the current LMPM run to RTD interval, while the smallest of the components presented, is not insignificant. Carrying over mitigation that should not have been applied in the first place to avoid unfavorable BCR results is a tough pill to swallow.



**Running LMPM in RTD.** Running LMPM as close to real-time as possible to better ensure that the conditions feeding the LMPM assessment are the same conditions used in the five-minute real-time runs is an improvement that the CAISO should pursue if its market software systems are capable of consistently running LMPM on a 5-minute basis.

<sup>1</sup>[http://www.caiso.com/Documents/AgendaPresentation\\_LocalMarketPowerMitigationEnhancements2015StrawProposal.pdf](http://www.caiso.com/Documents/AgendaPresentation_LocalMarketPowerMitigationEnhancements2015StrawProposal.pdf)