

System Market Power Analysis Meeting

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- The potential for market power typically arises in import-constrained areas with relatively high barriers to entry
- California's relatively high level of import capability does not constrain entry
- Market participants' willingness to import into California is a function of the price in California – mitigation will have an effect
- How would a fundamentals-based structural analysis of system market power deal with potential import supply?

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- What is the role of forward contracting in addressing potential market power?
- Should system-level scarcity pricing also be explored?
- If mitigation *is* applied, how should import bids be mitigated? How do you ensure non-discriminatory treatment across all supply?