

Submitted By	Company	Date Submitted
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While NRG Energy, Inc. (“NRG”) appreciates the CAISO extending the comment period for PRR 986, NRG opposes the proposed changes to the Availability Assessment Hours (AAH) for the following reasons:

- *First*, NRG supports the CPUC Staff’s comments requesting that the CAISO delay the proposed changes in the AAH until the 2019 RA compliance year (to take effect January 1, 2019).¹ 2018 bids for the Demand Response Auction Mechanism (“DRAM”) were submitted with the existing RA AAH in mind. The CAISO published its proposed changes to the AAH on May 18th, less than one week prior to when bidders were to be notified of awards for deliveries beginning in 2018 through 2019. Bidders cannot modify their bids at this point. The only option available to bidders, once awarded, is to either accept or reject the award. Once the contract is approved, Bidders can reduce their commitment based upon changed RA requirements to zero, without penalty. However, invoking that provision means that bidders can only expect to receive reduced or no revenues from their DRAM activities for 2018 and 2019, which is an unacceptable outcome.
- *Second*, CPUC Staff, the Joint Demand Response Parties (“JDRP”) and the California Large Energy Consumers Association (“CLECA”) all raise valid concerns about the need for proper coordination between the CPUC and the CAISO on matters related to the CPUC’s Resource Adequacy program.² Allowing the CAISO to propose changes to the AAH outside of the CPUC’s processes that govern the RA program invites unnecessary confusion and conflict.
- *Third*, the proposed changes to the AAH, which have a very material effect on parties’ ability to provide products and services that tie directly to the AAH, raises a fundamental question about whether the AAH should be codified in the CAISO’s Business Practice Manuals, or whether these important parameters belong in the CAISO tariff and should be modified only through a Section 205 filing. Because various RA products tie to the AAH, including the AAH in the BPMs and not

¹ Available at

<https://bpmcm.caiso.com/Lists/PRR%20Comments/Attachments/1418/CPUC%20Staff%20Comments%20on%20PRR%20986.docx>.

² See JDRP PRR 986 comments, available at

<https://bpmcm.caiso.com/Lists/PRR%20Comments/Attachments/1417/JDRP's%20Protest%20to%20CAISO%20PRR%20986.pdf>, and CLECA PRR 986 comments , available at

<https://bpmcm.caiso.com/Lists/PRR%20Comments/Attachments/1414/PRR%20986%20CLECA%20comments%205-31-17.pdf>

in the Tariff does not provide adequate due process protection for the parties providing those services.

While the CAISO unquestionably is the right entity to evaluate the AAH and propose changes to the AAH, the BPM change management process is not the right process for proposing, considering and implementing AAH changes when those changes have such wide-ranging impacts.