

NRG Energy, Inc. (“NRG”) Initial Comments on BPM CM 1154

NRG apologizes that it is late in submitting these comments and respectfully asks for the CAISO to consider them despite their lateness.

NRG objects to the CAISO eliminating the RAAIM exemption for environmental restrictions. As the CAISO acknowledges in Appendix C to its ER19-1562 amendment, such restrictions are beyond the resource’s control – the resource owner does not implement such restrictions voluntarily. Further, as the CAISO acknowledges in its ER19-1562 filing, the resource may not (and likely does not or cannot know) when the environmental restriction will bind, unless the unit is running solely according to the owner’s submitted self-schedules. If the resource is operating according to the offers required by its status as an RA unit – can either the CAISO or the RA owner accurately predict how and when the unit will operate and when the restriction will bind? If the resource owner cannot predict when the restriction will bind, how does it know how to modify its RA sales to accommodate that restriction?

Assuming that the CAISO is accurately modeling the restriction and developing an appropriate opportunity cost, and the resource owner is incorporating that opportunity cost in its bids, the environmentally-restricted resource should not exceed its use limit, and there should be no need to remove the environmental restriction exemption, because it will not be needed if the unit’s operation is appropriately managed through the CAISO-determined opportunity cost. If the unit operated more frequently than expected because the CAISO-determined opportunity cost was erroneous – it would not be reasonable for the owner to bear the RAAIM implications of that overuse.

Finally, NRG asks why these RAAIM exemptions, which clearly affect the compensation or charges a generating unit is paid or charged providing RA service pursuant to the CAISO Tariff, are in a BPM and not in the CAISO Tariff.