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**Sent:** Monday, May 02, 2016 5:09 PM  
**To:** CAISO Tariff <[MRTUtariff@caiso.com](mailto:MRTUtariff@caiso.com)>  
**Subject:** NRG Energy, Inc. Comments on Aliso Canyon Tariff Language

< EXTERNAL email. Evaluate before clicking. >

1. Section 27.5.6, subsection (f) (Page 5): Why is the CAISO proposing to include generic language regarding adjusting transmission constraints instead of language specifically focused at reserving transmission on Path 26 for the duration of the special Aliso Canyon measures? If the CAISO intends to go the “generic” route, it needs to also include in the generic language things like (1) a specific description of the conditions under which it will hold transmission in the day-ahead market; (2) how it will communicate the reservation and release of transmission to market participants.
2. Section 30.5.1 (b) (Page 8-9) – propose to include language to convey that the MRT hours span the time right after the unit the unit has synchronized: The Scheduling Coordinator may submit to the Real-Time Market new daily Start-Up Costs, Minimum Load Costs, and Transition Costs bids for resources or MSG Configuration for which the Scheduling Coordinator previously submitted Start-Up Costs, Minimum Load Costs, and Transition Costs Bids in the Day-Ahead Market except: (1) for Trading Hours in which the resource or MSG Configuration has received a Day-Ahead Schedule or a binding RUC commitment; or (2) for Trading Hours that span the Minimum Run Time of the resource or MSG Configuration immediately after the resource has been synchronized because either the CAISO has committed the resource or the Scheduling Coordinator has self-committed the resource in the RTM .
3. New Section 30.11: To the extent that FERC authorizes the Scheduling Coordinator to recover any costs pursuant to the Scheduling Coordinator’s filing, the CAISO will pay the Scheduling Coordinator any amounts FERC the Commission deems recoverable and will allocate such amounts pursuant to section 11.14.
4. 39.7.1.1.1.3 (b) – the details of this calculation must be specified in a BPM and the BPM location could be referenced in this section.
5. 39.7.1.1.1.3 – it appears there are two subsections (c).
6. 39.7.1.1.1.3 (c):

For the Real-Time Market, the CAISO will increase the gas price calculated pursuant to Section 39.7.1.1.1.3(e) for resources receiving gas service from Southern California Gas Company and San Diego Gas and Electric Company by an adder that represents the increased Bid amount that: (1) improves the dispatch of these resources so that they more likely to be dispatched to address local needs and not system needs [comment 1]; (2) better accounts for systematic differences between day-ahead and same-day natural gas prices that materialize [comment 2];

and (3) improves ability to manage the generators gas usage within applicable gas balancing rules. The gas price index used for Commitment Costs will initially increase by 75 percent and will be capped at \$2.50 plus two times the next day gas index price[comment 3], approximately a 300 percent increase over current gas prices. The gas price index used for Default Energy Bids will initially increase by 25 percent [comment 4]and will be capped at a 100 percent increase [comment 5]. Upon determining that an adjustment in the gas price is necessary, the CAISO will issue a Market Notice specifying the amount of the adjustment. This authority will expire on December 1, 2016, unless extended pursuant to a Commission order.

Comment 1 – the meaning of this language is still not clear.

Comment 2 – in order to limit the need to file at FERC for unrecovered costs, this adder cannot wait for systematic differences between the DA and RT gas prices to materialize; it must provide some margin that will anticipate those differences before they materialize.

Comment 3 – While the Draft Final Proposal (page 21) indicated that...“the ISO will propose that the range at which it can adjust the gas price index be capped at the OFO price.” The proposed tariff language does not reference the need for this adjustment to include the OFO price, but limits the cap on this adjustment to \$2.50 plus two times the next day price. Under emergency flow order conditions the OFO penalty could reach \$5.00/therm plus the G-IMB daily balancing rate (which is the highest or lowest gas price observed during that month). Further, the CAISO’s proposal does not expressly indicate how OFO charges will be incorporated into the adjustment – the final tariff language the CAISO submits to FERC should expressly identify how OFO charges will be treated.

Comment 4 - The Draft Final Proposal (page 22) indicated that the gas price used in default energy bid would be adjusted by the same amount that the real-time gas price used for commitment costs in Subsection (c) would be adjusted. However, the proposed tariff language adjusts the gas price used in the DEB by only 25%, while the CAISO specifically identified that the gas price used for commitment costs would be adjusted by 75%. Why did the CAISO change its position from the Draft Final Proposal?

Comment 5 – the Draft Final Proposal does not reference the 100% cap on the adjustment for the gas price used in the DEB.

7. 39.7.2.2 From the Draft Final Proposal, NRG expected the CAISO to deem only Path 26 non-competitive when it enforced the gas availability constraint. Further, in its comments, NRG requested the CAISO narrow this non-competitive declaration to situations in which enough gas zones were affected to affect a sizeable portion of the available Path 26 counter-flow. If the CAISO is going to seek generic authority to deem any transmission constraint as non-competitive based on gas supply, the CAISO must provide much greater detail with regards as how that process – including the necessary notifications to market participants – will take place.

(A) \_\_\_\_\_ Notwithstanding the provisions below, when the CAISO ~~is enforces~~ natural gas constraint specified in Section \_\_\_\_\_ the CAISO may deem selected internal constraints as uncompetitive for specific days or hours based on its determination that actual electric supply conditions may be uncompetitive due to **gas supply** ~~ystem~~ conditions in Southern California Gas Company and San Diego Gas and Electric Company regions. **Details regarding the process for this determination and how market participants are notified is set forth in the [relevant BPM][BPM for \_\_\_\_\_].**