



August 4, 2023

SRP Corporate Secretary
Mail Station PAB215
P.O. Box 52025
Phoenix, AZ 85072

RE: NRG Energy's Comments to SRP Regarding its Proposed Buy-Through Program for Large General Service Customers

To Whom It May Concern:

NRG Energy ("NRG") submits this letter as a follow up to the presentations held June 27 and July 18, 2023, regarding SRP's proposed Buy-Through Program for large general service customers. Through its Direct Energy brand, NRG has been an active participant in APS's AG-X buy-through program as a generation service provider ("GSP") since its inception in 2012. From its experience as a GSP and in working closely with customers, NRG has developed a unique understanding of buy-through program design. As a result, NRG provides the following recommendations with the intent to assist SRP in development of a successful customer buy-through program.

NRG is concerned that a number of proposed aspects will be unattractive to GSPs and customers which will limit program benefits, run counter to the intent of the enabling legislation, and run counter to the SRP Board's general principle around Customer Choice. To establish a structure that has the greatest probability for success at the outset, NRG proposes a set of revisions to the proposed program. These include changes to 1) Program Eligibility, 2) the Fuel and Purchased Power Adjustment Mechanism ("FPPAM"), 3) the Buy-Through Charge, 4) Energy Delivery requirements, 5) Imbalance Charges, 6) Returning Customer policy, 7) Approach to Oversubscription, and finally, 8) Minimum Customer Term. NRG's concerns regarding each of these items are detailed in this memo.

Key recommendations for program modifications to improve the chances for program success are the following:

- Program Eligibility
 - Eliminate minimum load factor requirements
 - Allow aggregation of customer accounts to meet the 5 MW minimum threshold and include E-63 customers in the program
- Buy-Through Charge
 - Adjust the charge as FPPAM capacity costs change
 - Adjust the charge as the Early Technology Adjustment ("ETA") costs change and provide greater detail on the ETA contracts

- Energy Delivery
 - Make Palo Verde the default delivery point for GSP energy deliveries
 - Eliminate the requirement that CAISO delivered energy must be a high priority export, for this places a unique, uncompetitive requirement on GSPs
- Imbalance Charges
 - Change the definition of Imbalance to only deviations between scheduled and actual customer load, and not include differences between scheduled and actual energy, which is already addressed in WSPP Schedule C
 - Reduce or eliminate imbalance penalties until concerns regarding “leaning” on imbalance energy can be justified
- Returning Customers
 - The notification period should be reduced to a single year
 - Customers should be placed on SRP’s Standard Generation Service if SRP can provide capacity in a shorter timeframe
 - The penalty of \$10/MWh or 10 percent of the index price should be eliminated
- Pro rata sharing of a customer’s load if the program is oversubscribed should be rejected in favor of a lottery and waitlist
- The requirements for a minimum GSP contract term of one year should be eliminated

In addition, NRG has reviewed the Consultant Report and while there are some aspects that align with NRG’s concerns, other statements are unsubstantiated which shows bias toward SRP’s interests. The major gap in the Consultant Report as well as SRP’s program development is the lack of outreach to either customers or GSPs at the outset. Instead of working collaboratively to develop a program with the greatest chances of success, SRP has focused on SRP’s corporate interests, jeopardizing the ability of the program to act as a viable alternative to bundled service.

1. Program Eligibility

A. Load Factor

As proposed, to be eligible for the Program, a customer must have a minimum average monthly load factor of 60 percent. At the June 27 meeting, it was stated that this factor was chosen to help accurately forecast load in real time from customers in the program. SRP staff also stated that if this load factor requirement was eliminated, six additional customers in the E-65 and E-67 rate classes would become eligible. With only 19 customers eligible for enrollment in the program under SRP’s currently proposed guidelines¹, adding these additional customers would mean that the majority still would have load factors over 60 percent.

¹ As stated by Staff in the June 27 meeting

Load factor is not ordinarily relevant to customer eligibility in similar buy-through programs and will have little impact on SRP's load forecasts in real time. While APS's AG-X program originally had a load factor minimum at program launch for a subset of customers, this has since been removed from the eligibility criteria. As designed, the current program will represent roughly 2 percent of SRP's peak load. The amount of overall load volatility that would be created by dropping this restriction would be very minimal because, as outlined above, the majority of eligible customers will still have load factors over 60 percent. Also, it is unclear why SRP believes that this restriction will make any difference relative to its current load forecasting efforts. SRP currently creates load forecasts for all E-65 and E-67 customers; while this load will now be scheduled by GSPs, SRP can continue to use its current load forecasting approach to minimize real time forecast errors without imposing this load factor requirement on the program.

In addition, having this restriction creates an unnecessary tracking and administrative barrier to participation. Customers could now be barred from enrollment or potentially removed from the program if their average load factor falls below 60 percent. Instead of creating this unnecessary barrier to customer participation, NRG recommends that the load factor minimum be dropped.

B. Aggregation

During the presentation on June 27th, SRP representatives indicated that customers must have a minimum 5 MW peak load and that aggregation of customers below this peak load to meet the 5 MW minimum would not be allowed. The stated reasoning behind this provision was that it would eliminate operational burdens associated with multiple smaller transactions. However, NRG submits that this rule will unnecessarily limit customer participation and that it stands in contrast to eligibility requirements in similar buy-through programs.

As outlined above, SRP stated in the June 27th meeting that only 19 customers are eligible under the current eligibility rules, representing 0.02 percent of SRP's commercial and industrial customer count per recent US Department of Energy data. While these 19 customers represent 774 MW of peak load, the fact remains that eligibility is severely limited under SRP's proposal and shuts out 99.98% of non-residential customers.

SRP provided further explanations for why it is preventing customer aggregation in the July 18 workshop. Short term, SRP states that it cannot automate its billing system in time to handle aggregations prior to a 2024 launch. SRP's delay in developing the buy-through program to meet statutory obligations for a January 2024 start should not be a reason that aggregation is not allowed. Given the small size of the program, SRP should be able to manually aggregate customer loads until this can be automated. Long-term, SRP states that sufficient load exists to enroll in the program without aggregation, as well as vague concerns about load diversity. While sufficient load exists amongst the 19 customers to fill out the 200 MW cap, the fact remains that the actual number of customers eligible without aggregation is extremely small. SRP should seek to expand eligibility at the outset by allowing aggregation of individual customer sites so that a broader set



of customers and not just the very largest are eligible. At a minimum, the SRP Board should allow aggregation of customers if the program does not fully subscribe after program launch.

C. Rate Class Eligibility

SRP would make the Program available only to customers taking service under the E-65 and E-67 rate schedules. These two rate schedules are for large general service (“LGS”) customers that have dedicated substations, which drastically limits the number of customers eligible for participation. To better facilitate participation, the Program should include SRP’s standard LGS rate schedule for customers without dedicated substations, E-63. Further, NRG believes that E-63 customers should be able to aggregate their loads and qualify for participation as outlined above. Absent this change, NRG believes the Program is too restrictive and that customers who want buy-through service may not be able to obtain it.

2. FPPAM Charges

The Program will include a component called the FPPAM Settlement Adjustment (“FSA”) where any over or undercollection greater than \$20MM will be charged or refunded on a pro rata basis to customers enrolling in the buy-through program. As outlined in the published Program Design document, this will be the only FPPAM responsibility for the enrolled customers, with this rider no longer applicable after enrollment in the program. NRG finds this approach reasonable.

Materials presented on July 18 however told a different story with regards to FPPAM responsibility. When detailing what goes into the Capacity Charge, SRP staff showed that enrolled customers would continue to pay a portion of the FPPAM costs that are attributed to capacity:

Class Share of Capacity Costs

Class Share of Generation Capacity Costs	\$132.1M
Class Share of FPPAM Capacity Costs	\$38.0M
Class Share of Capacity Costs	\$170.1M

This runs counter to the Program Design documents which claim that buy-through customers will no longer be responsible for FPPAM costs. Since FPPAM is a short-term adjustor that is updated on a regular basis, buy-through customers should have their capacity charge associated with FPPAM adjusted as FPPAM changes, and have this portion of the capacity charge removed when the undercollection goes below \$20MM. Not doing so creates a situation where buy-through customers have capacity costs locked in at an FPPAM expense level that is no longer valid, creating inequity for buy-through customers

3. Buy-Through Charge

The Program will include a Buy-Through Charge of \$4.15 per kW. SRP has indicated that this charge will include three components; 1) an administrative charge of \$0.51, 2) a charge for maintaining capacity reserves of \$2.87, and 3) a charge for Early Technology Adoption or “ETA” of \$0.76. NRG has identified issues with the capacity reserve and ETA charges charge that should be resolved before program implementation.

First, as outlined above, NRG believes that enrolled customers should have their capacity reserve charge adjusted whenever the FPPAM is adjusted to properly reflect their share of FPPAM capacity costs. This would be a simple calculation and not administratively burdensome, as similar adjustments are being made for all other customers. Buy-through customers should also be eligible for a refund of any FPPAM capacity costs if that portion of the FPPAM goes negative and to have the FPPAM capacity cost removed if the total over or undercollection goes below \$20MM.

Second, with regards to the ETA charges, SRP has provided insufficient detail to determine if the cost is reasonable. While information was presented in the July 18 meeting regarding the methodology, more information is needed for how the Capacity Value Credit, Energy Value Credit, and Carbon Free Premium Credit is calculated. In addition, NRG believes that much like the capacity cost in the FPPAM, this charge should be revised annually due to the dynamic value of each of the credit modifiers. Finally, more information is needed on the length of the PPAs for the resources in the ETA, with a timeline for when the ETA charges will be removed as the PPAs expire. The Consultant Report agrees that revisions to the ETA charge should be established at the outset of the program.²

4. Energy Delivery

NRG supports the use of WSPP Schedule C contracts as being sufficient for energy delivery contracts from GSPs. However, a closer read of the proposal reveals major issues with the energy delivery requirements that may make the program infeasible. The three major issues are:

- Requiring deliveries from the CAISO have high priority export (HPT) status, which would impose a restriction unique to GSPs and CAISO supply
- Requiring delivery with firm transmission to the SRP 230 kV system, which are illiquid supply points with questionable deliverability
- Creates a potential for double billing of differences between planned and actual energy deliveries by using WSPP Schedule C contracts that specify liquidated damages, while billing customers for this same difference as “Imbalance”. This issue will be addressed further in the next Section.

² CA Energy Consulting Report, Review of Management’s Buy-Through Pricing Proposal for SRP, July 27, 2023, p. 20.

a. CAISO Delivery Priority

Section 7.8 of the Draft Program Requirements document states that “the GSP must designate the applicable resource as a “High Priority Export” with CAISO, if the energy is sources from CAISO”. This proposal represents a major imposition on GSPs and was not mentioned by SRP in either of the stakeholder meetings.

This proposal likely creates a more restrictive requirement on GSPs than what SRP has imposed on its bundled customers. First, NRG is not aware of any requirement that SRP also requires HPT exports for energy it sources from CAISO that it counts towards its own RA obligations. Second, this requirement goes beyond what has been proposed in the Western Resource Adequacy Program (“WRAP”) which SRP plans to join the future. WRAP requires that to count for RA, resources must be either resource specific or an aggregation of resources from a Balancing Authority (“BA”) that cannot claim them for their native RA needs. Current CAISO HPT export rules state that HPT will only be assigned to internal-to-CAISO resources with non-RA capacity supporting the export,³ essentially mandating that only resource specific exports will qualify. APS’s proposal to adapt its AG-X program to WRAP rules also does not require HPT status for CAISO exports.

In addition, this proposal does not extend to all imports, just those from the CAISO, and conflicts with WSPP Schedule C delivery requirements that are the legal basis for energy supply. It is unclear why SRP has chosen to single out CAISO; if this additional delivery requirement was deemed important for GSP supply, a requirement for all deliveries beyond what is outlined in WSPP Schedule C would have been specified.

Finally, SRP’s proposal ignores the changing approaches that CAISO is considering for assuring energy delivery and that HPT status only relevant during certain market conditions. In the Transmission Service and Market Scheduling Priorities initiative, CAISO is applying for a tariff revision with FERC that would allow exports to obtain HPT status in the month and day ahead if they obtain Available Transfer Capability (ATC) rights.⁴ Requiring HPT status for all exports from CAISO regardless of time of year or market conditions invokes an unnecessary burden on GSPs.

Because of the potential inconsistency between SRP’s own practices and WRAP requirements, as well as the arbitrary application to CAISO exports and inconsistency with WSPP Schedules, NRG recommends that the requirement for HPT exports from CAISO be struck.

Delivery Location

The Program requires that GSP supplied energy be delivered at a point “approved by SRP”. During the June and July workshops, and as outlined in Section 7.3 of the draft Program

³ CAISO Market Operations Business Practice Manual, Section 2.5.5.1

⁴ See <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Transmission-service-and-market-scheduling-priorities>

Requirements, SRP staff stated that locations on SRP's 230 kV loop are the preferred delivery points.

For the program to be successful, SRP must accept delivery at liquid trading hubs that can be accessed by GSPs. Requiring delivery to locations where there is limited or no transmission availability would threaten the viability of the program and unnecessarily raise costs for customers. For this reason, NRG recommends that the Program use the Palo Verde hub as the default delivery point that can be used by GSPs, with other delivery locations permitted only if mutually acceptable to both SRP and the GSP. This is the structure that has been successfully adopted in the APS AG-X buy-through program.

The approach being taken by SRP for Resupply highlights the challenges for delivery of electricity at anywhere other than Palo Verde. SRP will be charging customers Resupply costs based on index pricing at Palo Verde, since this location is "characterized by a large volume of transactions" which "offers a reliable basis for contracting" as highlighted in the Consultant Report.⁵ If SRP will be using the Palo Verde hub as the source to Resupply customers, GSPs should be given the same ability to provide Program energy.

5. Imbalance Charges

a. Definition of Imbalance

SRP has defined "Energy Imbalance" in the Program Design documents as "the difference between the hourly delivered energy from the GSP...and the actual Customer Participating Metered Energy". Per this definition, the customer is responsible under "Imbalance" for both deviations between its planned and actual load and deviations between planned and actual energy deliveries. This definition runs counter to how imbalance is calculated in other programs and how deviations in delivered energy are compensated under WSPP Schedule C contracts.⁶ Having customers pay for "Imbalance" covered by liquidated damages under WSPP Schedule C energy delivery contracts could lead to charging both the GSP and customer for deviations between energy scheduled and delivered.

Under WSPP Schedule C, deviations between scheduled and actual energy deliveries are addressed in Section C-3.7, which states allowable reasons for interruptions, that neither Seller nor Purchaser shall be obligated to pay damages for certain allowable reasons, and that Section 21.3 of the WSPP Agreement will govern as the basis for damages for non-allowable reasons. Section 21.3 identifies how damages are calculated, namely as the difference between the contract price and the replacement price. Section 21.3(b) states that this approach "represent the sole and exclusive remedy". By now having a definition of Energy Imbalance that includes deviations under WSPP Schedule C energy deliveries, SRP may be in violation of the already established compensation approach.

⁵ CA Energy Consulting Report, p.16

⁶ See https://www.wspp.org/pages/documents/08_26_22_current_effective_agreement.pdf for a sample WSPP agreement

APS recognizes the difference between energy supply and customer demand when defining Imbalance. Under the AG-X tariff, differences between scheduled and actual energy supply are compensated via liquidated damages under the WSPP Schedule C agreement. Only differences between scheduled and actual customer load are compensated via Imbalance Charges. NRG recommends that the same structure should be established under SRP's buy-through program by changing the definition of Energy Imbalance to "the difference between the hourly scheduled energy from the GSP...and the actual Customer Participating Metered Energy". This approach will be consistent with having Imbalance Penalties assessed on the customer only, to prevent the unfounded concern that a customer will intentionally under forecast load to take advantage of low LAP prices, as expressed in the Consultant Report.⁷

b. Imbalance Penalties

SRP plans to assess severe penalties in the event that energy delivered by the GSP does not align with the customer's load. Under the current proposal, SRP will charge the customer the applicable CAISO Load Aggregation Point (LAP) price for hourly deviations of up to 15% or 2 MW, whichever is greater. For deviations greater than this amount, SRP will charge the customer the 125% of the LAP price for providing imbalance energy. These penalties are excessive and well beyond those imposed by APS for the AG-X program (\$3/MWh). Moreover, because imbalances are cleared at the CAISO LAP, SRP will be fully compensated for any imbalance energy, making a penalty of this nature an anticompetitive aspect of the program.

When asked about these penalties during the June and July workshops, SRP responded that they are concerned about "leaning" on imbalance energy. These concerns are entirely unjustified. First, neither SRP nor the Consultant Report provided evidence from market data or the many years of the AG-X program with its much lower imbalance penalty of "leaning" by GSPs or customers. Second, GSPs have no incentive to "lean" on imbalance energy to supply customers. GSPs manage their procurement and customer contracts by assuring that the price paid for delivered energy will be covered by the price paid by the customer. GSPs that "lean" on imbalance energy from the LAP will be exposed to market prices that cannot be hedged, potentially exposing the GSP to significant financial losses. Finally, the other aspect of the imbalance penalty, a GSP's expulsion from the program if imbalances occur in more than 20% of the hours in a calendar month, is a significant incentive in and of itself to minimize imbalances.

For these reasons, NRG recommends reducing, if not eliminating, these penalties. Alternatively, NRG recommends broadening the deviation thresholds well beyond 15%/2 MW. If, once experience is gained after program launch, SRP can identify that "leaning" is occurring to the detriment to the SRP system, only then should the SRP Board consider imposing penalty levels for significant imbalance deviations.

⁷ CA Energy Consulting Report, p. 17

6. Returning Customer Notification Timing and Market Rates

As proposed, the Program features an unusually long three-year notice requirement for return to SRP bundled service. If customers return to SRP without providing three-year notice, SRP will provide energy to the customer at its Resupply Energy rates, defined as index pricing plus the greater of \$10/MWh or 10 percent of the index price. SRP justifies this lengthy notice period as the amount of time that would be necessary to provide replacement capacity for returning customers, assuming that new capacity would need to be built to supply returning customers.

NRG is opposed both to the length of the notification period as well as the adders to the Resupply Energy rates as being anticompetitive. Customers may be disincentivized to join the program due to the risk of facing unnecessary Resupply Energy penalties for a long period of time. SRP staff stated in the July 18 meeting that it is possible to provide capacity for returning customers on a timeframe shorter than three years if the capacity is available in the market. This is seemingly what SRP has been recently successful in doing for its bundled customers. The inclusion of capacity costs in the short-term FPPAM shows that it is now common for SRP to buy capacity in the short-term market as needed and include the costs in FPPAM, not fixed generation charges. The Consultant Report also states that the notification period is “a potentially significant barrier to participation” and that the tariff should have flexibility to provide shorter notification periods.⁸

In addition, the proposed penalty structure – which uses the greater of \$10 per MWh or 10 percent of index pricing – is excessive and unnecessary. NRG agrees that nonparticipating customers should not face any costs if a buy-through customer returns to utility service. Having a returning customer go on an index rate that reflects the wholesale price to meet customer needs prevents any cost shift to bundled customers; enacting a penalty rate is simply an anticompetitive structure that is largely unnecessary for risk mitigation. While the Consultant Report states that SRP is “entitled” to charge a premium, that obtaining index energy comes with a price, and that it reflects what APS does in their AG-X program,⁹ this line of argument is unpersuasive and runs counter to the SRP Board Principle of “relationship of prices to underlying costs”.¹⁰ Neither SRP nor the Consultant Report provides any evidence of what the actual cost is to procure index energy to justify this fee besides it being a risk factor to keep customers on bundled service. In addition, the Consultant Report ignores programs where returning customers on short notice from competitive suppliers pay no fee.¹¹

SRP’s proposals mirror recent changes proposed by APS for AG-X in their current rate case but are even more restrictive. NRG and Calpine Solutions have filed comments on the APS proposals that are relevant to this portion of the SRP program design and are reflected below:

⁸ CA Energy Consulting Report, p. 19.

⁹ CA Energy Consulting Report, p. 18

¹⁰ CA Energy Consulting Report, p. 12

¹¹ Customers of California’s Direct Access program which provide less than six month notice to return to bundled service are placed on an index price (Transitional Bundled Service, TBS) with no additional fee

- The notification period for a customer returning to SRP bundled service should be reduced to a single year, which is also the current timeframe that the APS AG-X program uses for notification.
- The program should be modified to state that SRP will serve the customer with SRP's Standard Generation Service sooner than expiration of the notice period if SRP determines that it can do so without adversely impacting other cost-of-service customers. The Consultant Report states that SRP intends to include language that "they will attempt to acquire the necessary capacity in less time, if possible"¹²; this language should be developed before the launch of the program and shared with stakeholders.
- The penalty of \$10/MWh or 10 percent of the index price should be eliminated. Alternatively, SRP could follow the APS tariff by stating that SRP will have the "option" to serve the customer with market index priced power plus a penalty in some instances, if SRP can demonstrate that additional costs are necessary to protect nonparticipating customers from any costs due to returning customers. SRP would need to define criteria for how to make that decision within the Program Guidelines.

Other options that should also be considered by SRP to reduce or eliminate the three-year notification period include:

- Placing the customer on an interruptible service tariff, as recommended in the Consultant Report.¹³
- Giving the GSP the option to have full customer capacity requirements, not just the reserve requirements, provided by SRP. This would be similar to what APS is proposing for AG-X in its current rate case. The customer capacity cost should be calculated by starting with the bundled customer capacity charge, minus the energy value from this capacity that is now freed up due to departing load.

7. Oversubscription Approach

In the July 18th meeting, SRP staff stated that if the program is oversubscribed, all enrolled customers will have their participation level reduced on a pro rata basis. This would mean that in an oversubscription situation, a customer will have a portion of their energy demand served by SRP and a portion by a GSP.

NRG is opposed to this approach due to the added complexity and uncertainty that it would bring. If served by both SRP and a GSP, it would be challenging to appropriately assign and track responsibility for daily customer load variation as well as responsibility for long-term customer load changes. While SRP staff stated in the July 18th meeting that all responsibilities will be shared on a pro rata basis, this may be difficult to enact within SRP's billing and tracking systems. If a customer has deviations from its daily forecasted load that leads to Imbalance penalties, it will be impossible to determine the deviations that is assigned to each scheduling party. For example, for

¹² CA Energy Consulting Report, page 13, footnote 31.

¹³ CA Energy Consulting Report, page 19

a customer with a 50 MW load shared on a 4/1 basis between a GSP and SRP (40 MW and 10 MW), if a customer used 40 MW instead, how would it be determined which party forecasted incorrectly? Sharing the imbalance on a pro rata basis would not be fair, as a party that badly forecasts load would benefit. In an extreme example, if one party forecasted accurately for their share and another party entered no forecast (zero), the party that forecasted accurately would, incorrectly, be penalized under a pro rata approach.

Instead of pro rata sharing of load responsibilities, NRG recommends a lottery and waitlist approach for initial enrollment, with the waitlist added to afterwards on a first-come, first-served basis. This will allow the full load of each customer to be served by a GSP, eliminating the complexities and challenges of splitting load between a GSP and SRP under this program.

8. Customer Contract Term

Section 4.3 of the draft Program Requirements document states that each GSP contract with a customer must have a term of at least one year. SRP has provided no support for why this requirement has been proposed. Customers should have the flexibility to sign contracts for shorter durations if desired, provided that the term is agreed to by a GSP and that the GSP can meet the timing requirements for Energy Scheduling as outlined in Section 7 of the Program Requirements document. NRG recommends that the one-year minimum term be removed. Alternatively, SRP could require a minimum one-year term when customers initial depart SRP bundled service, with no contract length requirements following this initial obligation.

Consultant Report Concerns

SRP contracted with Christensen Associates to provide a review of the buy-through program proposal regarding the costing, pricing, and statutory requirements. The major gap in the Consultant Report as well as SRP's program development is the lack of outreach to either customers or GSPs at the outset. Instead of working collaboratively to develop a program with the greatest chances of success, SRP and Christensen Associates have focused on SRP's corporate interests, jeopardizing the ability of the program to act as a viable alternative to bundled service. While SRP has held two stakeholder meetings to discuss the program in June and July, these meetings were held after the initial program structure was already proposed to the Board. If the concerns of customers and GSPs were truly under consideration, SRP would have instructed their Consultant to perform outreach as part of their scope to determine perspectives other than SRP's.

Aspects of the Consultant Report have been incorporated in previous sections that outline NRG's recommendations. NRG appreciates that the report reflects concerns mentioned by NRG, including that the ETA charge should be updated on a regular basis, that Palo Verde is the most liquid hub for energy transactions in the region, and that the three-year notification period for returning customers should be reconsidered. However, there are other statements in the Consultant Report which show bias toward SRP's interests in program development, as they are unsubstantiated without any evidence. These include:



- Concerns that customers will intentionally under forecast load to take advantage of LAP prices charged for Imbalance. Theoretical scenarios are outlined with no supporting data.
- Stating that SRP is “entitled” to charge a premium for Resupply Energy, without any analysis for what a reasonable, non-punitive premium should be.

Conclusion

NRG appreciates your attention regarding these aspects of the Program. It is our hope that this letter will help facilitate discussion and changes on each aspect outlined above. We look forward to continuing to work with SRP to develop the Program to ensure that it is a success.

Sincerely,

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Scott Olson
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NRG Energy