

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Annual
Local Procurement Obligations.

R.11-10-023
(Filed October 20, 2011)

**REPLY COMMENTS OF NRG ENERGY, INC.
ON PROPOSED DECISION**

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For
NRG ENERGY, INC.

June 23, 2014

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OF THE STATE OF CALIFORNIA**

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In accordance with Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), NRG Energy, Inc.¹ (“NRG”) hereby submits these comments in reply to comments submitted on Administrative Law Judge David M. Gamson’s May 27, 2014 Proposed Decision Adopting Local Procurement and Flexible Capacity Obligations For 2015, and Further Refining the Resource Adequacy Program (“Proposed Decision”, or “PD”). These brief comments support the PD’s deferral of the use of Resource Adequacy (“RA”) Qualifying Capacity (“QC”) values determined through the use of Effective Load Carrying Capability (“ELCC”) analysis to 2016.

¹ NRG Energy, Inc. is the parent of NRG Power Marketing LLC, GenOn Energy Management, LLC, Cabrillo Power I LLC, Cabrillo Power II LLC, El Segundo Power LLC, NRG Delta LLC, NRG Marsh Landing LLC, NRG California South LP, Sunrise Power Company, LLC, Walnut Creek Energy, LLC, High Plains Ranch II, LLC, Long Beach Generation LLC, NRG Solar Alpine LLC, NRG Solar Borrego I LLC, NRG Solar Blythe LLC, NRG Solar Roadrunner LLC and Avenal Solar Holdings LLC, each of which owns and operates or markets generating resources in California. Because the focus of this proceeding is on California market issues, NRG Energy, Inc. appears on behalf of these entities.

I. REPLY COMMENTS

A. Determining QC For Wind and Solar Resources Through ELCC Analysis

Finding that the ELCC model is still incomplete, many technical issues remain unresolved, and results have not yet been published,² the PD directs that the methods currently used to determine QC values for wind and solar resources should continue to be used to establish QC values for those resources for 2015.³

In its opening comments, the California Wind Energy Association (“CalWEA”) urges the Commission to direct that Energy Division identify existing ELCC-based QC values from sources other than Energy Division’s own ELCC analysis being conducted within this rulemaking and apply those values for the 2015 RA cycle.⁴ More specifically, CalWEA suggests Energy Division translate a matrix of ELCC values expected to be included in the updated Renewable Portfolio Standard Calculator developed by E3 Consulting to monthly QC values for wind and solar resources to be used for the 2015 RA compliance year.⁵

The Commission should adopt the PD’s recommendation to defer use of ELCC analysis to set QC values for 2015 and reject CalWEA’s request. As the PD noted, the ELCC analysis being performed by Energy Division to develop RA QC values for wind and solar resources is not complete, and technical issues remain unresolved. The results of Energy Division’s analysis have not been published, nor have affected parties had an opportunity to review and comment on them. Even if other ELCC values exist, those values were developed outside of the current rulemaking, and should not be applied to set RA QC values until and unless the analysis to develop those values, and the values themselves, have been thoroughly vetted.

² PD Finding of Fact 42, Conclusion of Law 33.

³ PD at 60, Conclusion of Law 34.

⁴ *Comments of the California Wind Energy Association on the Proposed Decision Adopting Local Procurement and Flexible Capacity Obligations for 2015, and Further Refining the Resource Adequacy Program*, submitted June 16, 2014 in this proceeding, at 3.

⁵ *Id.* at 8.

It would be wholly inappropriate to assign new RA QC values to wind and solar resources for the 2015 RA year based on ELCC analysis that has not been publicly vetted. The PD's approach – directing Energy Division to complete its ELCC analysis so its analysis and results can be reviewed by the end of 2014⁶ – should be adopted.

II. CONCLUSION

NRG thanks the Commission for this opportunity to submit these reply comments and respectfully asks the Commission to consider these comments in its deliberations on the PD.

Respectfully submitted,

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⁶ PD at 60.