

NRG Energy, Inc.’s Comments on Draft Proposal Requirements for Coal to Solar Initiative

(Draft issued February 18, 2022)

NRG Energy, Inc. (“NRG”) submits the following comments on the Draft Proposal Requirements issued by the Procurement Administrator on February 18, 2022 – all references to sections below are to the sections in the draft issued on that date.

Please direct correspondence related to these comments to:

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Section 2.3

NRG notes that the derivation or calculation of the \$500 non-refundable Participation Fee is unexplained, and to what the payment will be applied in terms of “part of the costs of the 2022 procurement events” is unspecified.

Section 2.4

NRG observes that when “proposal assurance collateral” is due is undefined, and the conditions for the disposition of that collateral are similarly unspecified (i.e. conditions that would lead to the collateral being drawn upon, returned, etc.).

Section 2.11

NRG finds only two (2) business days to cure a deficiency to be too short of a period to properly take corrective action and that five (5) business days would be more appropriate.

Section 2.13

NRG requests that if the Procurement Administrator does not select a Proponent for inclusion in the program, that some explanation as to why the Proponent was not selected be provided, or that an informal meeting take place to provide the same information.

Section 2.14

NRG notes that the Supplier Fee amount is undefined and requests that it be defined and its derivation or calculation explained.

Section 3, A – Site-Specific Information – Site Information

NRG requests that this specific section make more explicit that the Project(s) and Storage Facilities may be built upon the Site, or any parcels adjacent to the Site that Owner has control over.

Section 3, B – Site-Specific Information – Proponent Information

NRG notes the importance of the flexibility provided by the second bullet (that Owner may be an affiliate of Proponent).

Section 3, B – Project-Specific Information – Project Information

NRG notes that the REC Contract does not require the Commercial Operation Date to be on June 1 of any given year, and this requirement is therefore inconsistent with the REC Contract.

NRG observes that in the sixth bullet regarding providing the annual quantity of RECs that the Seller is offering, the same flexibility that is provided in the REC Contract (i.e., over- and under-deliveries within a 15% bandwidth) should also be provided here – the current draft appears to provide for an inflexible quantity to be delivered. References to the REC Contract would be appropriate here.

In this same section in the seventh bullet, NRG finds that the concept of a “minimum quantity” is new (i.e., the term is not in the REC Contract), and that the operation of this concept is unclear. NRG requests that clarification be provided as to the binding nature of any “minimum quantity” specified.

Section 3, B – Project-Specific Information – Certifications by Seller

NRG requests that in the fifth bullet in this section, the term “applicable commercial operation date” be replaced with the term “Latest Commercial Operation Date” and explicitly refer to “Seller Excused Delays” and “Force Majeure” in order to prevent Seller from being required to certify a certain date for commercial operation in the Proposal Requirements that is not a binding date in the REC Contract.

NRG also requests clarification on how certifications will be provided (e.g., in the application form, separately, etc.), per the asterisk (“*”) at the end of this section.

Section 3, B – Project-Specific Information – Proposal Assurance Collateral

NRG requests that the derivation of the “\$6,000/MW to AIC and \$14,000/MW to ComEd” values of Proposal Assurance Collateral be explained. Moreover, NRG requests that this section be clarified to not require Seller to post Proposal Assurance Collateral that is not returned in the event that the REC Contract is never Executed. As mentioned above, the timing of posting instruments such as a Letter of Credit or cash collateral and the conditions for their disposition are also not specified.

As currently written, it appears that Proposal Assurance Collateral is provided in advance of execution of the REC Contract, and that certifications in the Proposal Requirements that Seller will “agree to all terms of the REC Contract” and that Seller “commits to constructing and operating the Project” could be read as leading to forfeiture of this Proposal Assurance Collateral amount if the REC Contract is not executed or the Seller is not selected. NRG requests that the timing of posting Proposal Assurance Collateral and conditions for its return be clarified accordingly.