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Scott Olson
Director, Western US Regulatory Affairs
NRG Energy
910 Louisiana Street
Houston, Texas 77002

September 14, 2023

Dear Scott,

Attached, please see SRP Management's response to your follow-up questions in your email related to the proposed Buy-Through Program received by SRP Corporate Secretary Office on September 1, 2023.

Sincerely,

A handwritten signature in blue ink that reads "Adam Peterson". The signature is written in a cursive, flowing style.

Adam Peterson
Director Corporate Pricing

Attachment: SRP Management Response to NRG September 1, 2023 Email regarding Buy-Through Program September 14, 2023

GSP Serving more than one customer:

- If a GSP is serving more than one customer, must the GSP provide unique load forecasts for each individual customer, or can a load forecast that aggregates all customer accounts be provided to SRP?

SRP Management intends for the GSP to provide SRP with hourly schedules for each individual customer account, but not the customer's hourly forecast. Neither the GSP nor the customer will need to provide SRP with customer load forecasts, but those forecasts should be used by the GSP to develop the hourly schedules specific to that customer account (adjusting for losses and rounding to whole MW). SRP Management will revisit the proposed program terms to ensure clarity with respect to the hourly schedule delivery requirement.

- If a GSP is serving more than one customer, must the GSP provide unique energy supply schedules for each individual customer, or can a GSP provide SRP with one energy supply schedule that aggregates all energy supply into one schedule?
 - GSPs typically buy and schedule energy for all customers at a delivery point, and do not perform separate transactions for each individual customer. For this reason, it is preferred that GSPs can provide one aggregated energy supply schedule. However, it is understood that SRP plans to bill customers, not GSPs, for imbalance between forecasted load and delivered energy, implying that unique energy supply schedules for each individual customer may be necessary. If this is the case, NRG is attempting to determine how to best provide individual customer energy schedules when energy will be purchased in aggregate for multiple customers.

Should a GSP serve more than one customer account, the GSP must provide unique hourly schedules for each individual customer account such that energy imbalance can be determined for each customer. As the Program proposal requires generation that follows customer load forecasts, these hourly schedules should reflect customer participating load forecasts adjusted for line losses and rounded to the nearest MW.

Energy Imbalance:

- Due to the challenges outlined above, this is the reason that NRG brought up the concern in our original letter regarding the definition of "imbalance". There could be "imbalance" both 1) between a customer's forecasted load and actual load and 2) between a GSP's scheduled energy and actual energy delivery. Charging customers imbalance for item 1) would be fairly easy if a GSP provides unique customer forecasts, and it would mitigate the concerns outlined by SRP of a customer trying to game the system by intentionally misforecasting their load. Differences between a GSP's scheduled and actual energy supply outlined by item 2) will be much more difficult to associate with individual customers as GSPs schedule for all customers, and NRG continues to believe should be handled solely by LDs charged to GSPs. Is SRP open to this type of approach for how "imbalances" defined by 1) and 2) are addressed?

The customer is responsible for all energy imbalance irrespective of the cause. Energy imbalance for each customer account is the difference between the GSP's delivered energy and the metered energy usage, adjusted for losses. SRP will bill the customer for the energy imbalance cost. Should the GSP be liable for any liquidated damages under the WSPP confirmation, the agreement between SRP, the customer, and the GSP will require that those damages be paid directly from the GSP to the customer. At this time, SRP Management does not intend to propose any changes to this approach.