COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON DRAFT TARIFF LANGUAGE AND DRAFT BPM PROVISIONS FOR COMMITMENT COST ENHANCEMENTS PHASE 3

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") provide their comments on the draft tariff language and draft BPM provisions posted on October 19, 2018 for the Commitment Cost Enhancements Phase 3 ("CCE3") initiative:

Draft Tariff Language:

<u>Section 30.4.1.1.6.1</u> - - Placement of the phrase "on an annual basis" creates ambiguity. The Six Cities recommend moving the phrase "on an annual basis" from the fourth line of the section to the third line after the word "demonstrate" to make clear that the phrase applies to the registration and validation process rather than the temporal scope of the use limits.

<u>Section 30.4.1.1.6.1.2</u> - On the twenty-first line of the section, placement of the phrase "on an annual basis" creates ambiguity. The Six Cities recommend moving the phrase "on an annual basis" from the twenty-first line of the section to the twentieth line after the word "demonstrate" to make clear that the phrase applies to the registration and validation process rather than the temporal scope of the use limits.

Market Instruments Attachment D – Calculation of Default Energy Bids:

<u>Page 14</u> - - The example at the top of the page describes a "resource without a greenhouse gas compliance obligation." However, the verbal description of the calculation methodology includes GHG Cost in the first and second lines (although GHG Cost does not appear to be included in the numerical sample calculation.) The Six Cities recommend clarification.

<u>Page 17</u> - - The caption for Section D.6.2 includes the words "of Independent Entity." The Six Cities recommend deletion of that reference consistent with deletions of other references to an "Independent Entity."

Market Instruments Section 8.2.1.3 SIBR Generated Bid for CCE3:

Generated Energy Curve Calculation - - At the bottom of the fourth page, the calculations include a \$25 adder for Segment 1 and Segment 2, but there is no description or explanation for that adder in the narrative description for the calculation. The Six Cities recommend explanation or clarification.

Market Operations Section 2.1.15 Use-Limited_Resources for CCE3:

<u>Section 2.1.15</u> - - The terms "CAISO" and "ISO" are used inconsistently throughout this section.

<u>Section 2.1.15.2</u> - - In the first line of the second bullet, "cannot" should be "can" in order to be consistent with the lead-in reference to use limitations that are <u>ineligible</u> for registration under the criteria in Tariff Section 30.4.1.1.6.1.1.

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