June 21, 2017

COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE EIM GREENHOUSE GAS ENHANCEMENT DRAFT FINAL PROPOSAL

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") submit the following comments on the ISO's EIM Greenhouse Gas Enhancement Draft Final Proposal posted on May 24, 2017 (the "Draft Final Proposal"):

The Six Cities support the ISO's continuing development of a "two-pass" optimization methodology for identifying resource-specific emissions for resources that support transfers of energy to serve California load under the Energy Imbalance Market ("EIM") as described in the Draft Final Proposal. Consistent with their December 15, 2016 comments on the Straw Proposal in this initiative, the Six Cities also support the ISO's determination, described at pages 3 and 5 of the Draft Final Proposal, to focus the initial efforts to develop and implement the two-pass optimization methodology on enhancements to the EIM design, with possible future extension of two-pass optimization if appropriate to accommodate development of a regional Day-Ahead market design. The Six Cities also support the ISO's proposal, described at pages 12-15 of the Draft Final Proposal, to include the base schedules for external resources contracted to serve California load as California resources in the first-pass optimization in order to avoid double counting GHG compliance obligations for such resources.

The Draft Final Proposal at pages 17-18 discusses potential simplifying approximations to expedite the solution time for the first-pass optimization ("the GHG allocation base"). The Six Cities support the concept of developing simplifying approximations to reduce solution time for the first-pass optimization and, as of this time, have not identified any concerns with the simplifying assumptions currently contemplated by the ISO. However, the Cities look forward to the outcome of the ISO's simulations of the two-pass optimization methodology and may identify and comment on implementation concerns based on the simulation results.

Submitted by,

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