

October 11, 2017

**COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON,  
PASADENA, AND RIVERSIDE, CALIFORNIA ON THE FLEXIBLE RESOURCE  
ADEQUACY CRITERIA AND MUST OFFER OBLIGATION  
WORKING GROUP MEETING**

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") provide the following comments on the presentation and discussion at the September 26, 2017 Flexible Resource Adequacy Criteria and Must Offer Obligation Working Group Meeting ("the Working Group Meeting"):

The Six Cities support the conceptual objective of aligning Flexible RA requirements with operational needs. As noted by several participants in the Working Group meeting, however, the ISO has not presented information sufficient to determine whether the existing Flexible RA fleet can meet the ISO's operational needs and, if not, what resource attributes are missing. In previous comments in this initiative, the Six Cities have urged the ISO to prioritize development and implementation of a methodology to assess the adequacy of the Flexible RA fleet to meet all ramping needs. Without such analysis, it is not possible to evaluate the impact of proposed modifications to the Flexible RA framework or to compare the costs versus anticipated benefits of proposed changes in requirements or assessment methodologies. The Six Cities, therefore, join other stakeholders in urging the ISO (again) to provide a comprehensive analysis, including supporting data, of the extent to which the current Flexible RA fleet can or cannot meet operational needs. If the ISO believes the current Flexible RA fleet is not capable of meeting operational needs, the ISO should identify deficiencies or missing attributes in detail so that proposed solutions can be crafted to address identified problems efficiently and with as little interference as possible with LRA procurement programs. In developing solutions, the ISO should emphasize and prioritize changes that can be made to current market mechanisms prior to creating new RA products (such as Downward Ramping Flexible RA).

The Six Cities have the following preliminary comments regarding specific concepts discussed during the Working Group Meeting:

- 1) The Cities support further exploration of allowing shaped Day-Ahead schedules to address forecast variation in load. However, shaped Day-Ahead self-schedules, as well as economically bid Day-Ahead schedules, should be eligible to satisfy forecast load variation.
- 2) The Six Cities support consideration of measures to allow and encourage greater participation by inertie resources in satisfying ramping requirements.
- 3) With respect to the target for Flexible RA procurement, the target requirement should be based on the maximum same day peak to trough load, rather than the delta between the maximum monthly peak to minimum monthly trough occurring

on different days. The latter approach appears unduly conservative and likely to lead to excessive Flexible RA requirements, especially when availability of EIM transfers is taken into account.

- 4) The Six Cities agree with the comment by the PG&E representative at the Working Group Meeting that the ISO should not assume wind and solar resources are must take in developing Flexible RA requirements.

Submitted by,

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