



Stakeholder Comments Template

System Market Power Analysis – Work Shop

This template has been created for submission of stakeholder comments on the System-Level Market Power Analysis - Workshop that was held on July 15, 2019. The workshop, stakeholder meeting presentations, and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/MeetingsEvents/MiscellaneousStakeholderMeetings/Default.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **August 5, 2019**.

Submitted by	Organization	Date Submitted
Bonnie Blair 202-585-6905	Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, CA (“Six Cities”)	August 5, 2019

Please provide your organization’s comments on the following issues and questions.

1. Resource adequacy provisions and bilateral capacity contracting

Please provide your organization’s feedback on the *resource adequacy provisions and bilateral capacity contracting* topic. Please explain your rationale and include examples if applicable.

Six Cities’ Comments: There appears to be widespread consensus that supply conditions in the Western region are tightening and that imports will become increasingly more significant in maintaining reliability in California. Under these circumstances, it will be especially important to get it right with respect to the rules applicable to imports of Resource Adequacy resources and to enhance access to reliable RA import resources. In this regard, the Six Cities reiterate the recommendation submitted in their comments on the ISO’s RA Enhancements Revised Straw Proposal that the ISO seek to expand the pool of import resources eligible to provide RA capacity, including, for example, (1) developing ways to expand availability of Maximum Import Capability allowances and/or (2) considering elimination or relaxation of MIC requirements for RA imports.

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2. Load-serving entity energy procurement and hedging

Please provide your organization's feedback on the *load-serving entity energy procurement and hedging* topic. Please explain your rationale and include examples if applicable.

Six Cities' Response: The Six Cities have no comments on this topic at this time.

3. System-level market power mitigation process

Please provide your organization's feedback on the *system-level market power mitigation process* topic. Please explain your rationale and include examples if applicable.

Six Cities' Response: The Six Cities support the recommendations by Southern California Edison Company and Pacific Gas and Electric Company that the ISO commence as soon as possible a stakeholder initiative to consider development of methods for identifying and mitigating system market power. As discussed throughout the workshop, measures for identifying and addressing the exercise or potential exercise of system market power raise difficult and controversial questions involving potentially necessary trade-offs and risks of unintended consequences. The analysis and policy development should not be rushed or conducted in the context of a crisis atmosphere. It may turn out that, after careful evaluation, the most reasonable outcome of the initiative will be to monitor further developments. However, the Six Cities believe that in light of the apparent tightening of supply conditions throughout the region, it is most prudent to begin investigating in advance how to identify and address potential exercise of system market power, rather than waiting to start the process when market disruptions become apparent.

4. Enhanced ISO market scarcity pricing provisions

Please provide your organization's feedback on the *enhanced ISO market scarcity pricing provisions* topic. Please explain your rationale and include examples if applicable.

Six Cities' Response: The Six Cities have no comments on this topic at this time.

5. Optional comments on stakeholder-presented topics

Six Cities' Response: See the Six Cities' response to Item 3 above. Pending further evaluation and development of detailed proposals, the Six Cities express no position at this time with respect to initial recommendations by other stakeholders on how to detect and/or mitigate system market power.

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6. Additional comments

Please offer any other feedback your organization would like to provide on the topics discussed during the workshop.

Six Cities' Response: The Six Cities have no additional comments at this time.