

May 3, 2016

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA,
BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA
ON THE STUDY PLAN ON THE CHARACTERISTICS OF
SLOW RESPONSE LOCAL CAPACITY RESOURCES**

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 Study Plan on the Characteristics of Slow Response Local Capacity Resources ("Study Plan"). The Six Cities provide the following comments on the ISO's Study Plan.

First, Slide 7 of the ISO's Study Plan explains that the ISO's study methodology does not account for potential uses of resources by PTOs for distribution system issues. Therefore, it states that "[s]ignificant upward availability adjustments to the minimum requirements may be needed to account for" this and other factors. For certain of the Six Cities, import capability at the intertie with the ISO is limited such that there is insufficient intertie capability to meet the City's peak load. In that case, the City has to run internal generation to meet its peak load. If the same conditions that the ISO is factoring into its availability requirement for the full system are the peak load conditions that cause the Cities to need to dispatch their units for distribution system reliability needs, then there may be an overlap between the needs of the ISO and distribution system needs. The same conditions that would trigger dispatch by the ISO for availability needs could trigger dispatch for distribution system reliability needs under high load conditions, and the internal generation resource would be needed for pre-contingency dispatch at the same time that it is being used as a must-run resource. In that case, the ISO should take into account the fact that the same dispatch would satisfy both of these needs.

The Six Cities' second comment relates to the ISO's plan for performing the LCA studies. On Slide 8, the ISO explains that LSEs will perform studies for those LCAs and sub-areas in which they expect to use DR or other use-limited, slow response resources for local resource adequacy. The slide is silent with regard to which LSEs will perform these studies. On the April 26, 2016 stakeholder call regarding the study, the ISO explained that it had contemplated that these studies would be completed by the three large California LSEs – Pacific Gas and Electric Company, San Diego Gas and Electric Company, and Southern California Edison Company ("SCE") – and the ISO has had individual discussions regarding the studies with these three LSEs only. The ISO also stated that other LSEs could conduct studies if they choose. The Six Cities request additional information from the ISO as to how an LSE would get involved in the study process either to conduct its own study or to participate in the study conducted by one of the larger LSEs. For example, the Six Cities anticipate that the study conducted by SCE will cover the area in which the Six Cities are located, and the Six Cities would be interested in providing input and receiving information regarding that study.

Lastly, the Six Cities seek clarification from the ISO that the intent of the Study Plan is not to disqualify slow response resources that currently qualify as local RA capacity. It is the Six Cities' understanding that, while the study focuses mainly on DR resources, it is intended to

study the characteristics of slow start resources in general with the intent of expanding, rather than narrowing, the scope of resources that qualify. Thus, the Six Cities would not need to be concerned that, for example, gas units that already qualify as local RA capacity would no longer qualify as a result of the study.

Submitted by,

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