

**Stakeholder Comments Template
Capacity Procurement Mechanism Soft Offer Cap Initiative
Draft Final Proposal**

This template has been created for submission of comments on the draft final proposal issued for the Capacity Procurement Mechanism Soft Offer Cap (CPM SOC) initiative, which is available on the initiative webpage at:

<http://www.caiso.com/StakeholderProcesses/Capacity-procurement-mechanism-soft-offer-cap>.

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on January 23, 2020.

Submitted by	Organization	Date Submitted
Meg McNaul 202.585.6940 mmcnaul@thompsoncoburn.com	<i>The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (the "Six Cities")</i>	Jan. 23, 2020

1. Please provide your organization's overall position on the draft final proposal for this initiative. Select from options below and explain position.

Please double click on check box below to select your position:

- Support
- Support with caveats
- Oppose
- Undecided

Explain position:

Consistent with their prior comments in this initiative, the Six Cities do not oppose retention of the existing soft offer cap. The Six Cities agree with the CAISO's observation in the Draft Final Proposal that, as the resource mix changes in the future, the CAISO may need to consider alternate reference resources in reevaluating the level of the soft offer cap.

Additional Comments:

The Six Cities were supportive of the CAISO's prior proposal to administer a three pivotal supplier test to assess market power in connection with annual CPM designations. The CAISO has since informed stakeholders that it does not believe that including this test as a part of the process for awarding annual CPM designations is appropriate or necessary at this time. Stakeholders would benefit from an improved understanding of the CAISO's reasons for this determination, including any data relied upon by the CAISO in assessing the expected presence or absence of market power in the CPM process.

In light of the CAISO's decision not to move forward with evaluating if market power exists in the annual CPM designation process, the Six Cities urge the CAISO to actively evaluate the pricing for annual CPM designations (to the extent any are made) and determine if it appears market power is being exercised such that this determination should be reassessed at a later date.

Note: The ISO has also posted draft tariff language related to this initiative and is asking stakeholders to submit comments on the draft language. Please include edits to the proposed language in the word document available [here](#).

The Six Cities are not proposing any revisions to the draft tariff language at this time.