

**COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON,
PASADENA, AND RIVERSIDE, CALIFORNIA ON THE LOCAL MARKET POWER
MITIGATION ENHANCEMENTS REVISED STRAW PROPOSAL**

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") provide their comments on the November 16, 2018 Local Market Power Mitigation Enhancements Revised Straw Proposal (the "Revised Straw Proposal"):

As the Six Cities understand the Revised Straw Proposal, the ISO now anticipates that most elements of the Revised Straw Proposal would apply both within the ISO Balancing Authority Area ("BAA") and within the BAAs of Energy Imbalance Market ("EIM") Entities. The Six Cities support the following elements of the Revised Straw Proposal and understand that these elements would apply both within the ISO BAA and within EIM BAAs:

- The proposal to calculate competitive LMPs in each fifteen-minute market run of the Fifteen-Minute Market ("FMM") and to eliminate the current rule that a resource mitigated in one interval is mitigated for the balance of the hour. (Revised Straw Proposal at pages 15-16).
- The proposal to update the mitigated bid price in each interval based on the current competitive locational marginal price. (Revised Straw Proposal at page 16).
- The proposal to eliminate the current rules (1) that if a resource is mitigated in the FMM, it is automatically mitigated in the five-minute Real-Time Dispatch ("RTD"), and (2) that if a resource is mitigated in the first or second five-minute interval in RTD, it will be mitigated for the remaining five-minute interval(s) in the given fifteen-minute interval. (*Id.*).
- The proposal to review same-day gas prices available between 8:00 and 9:00 a.m. and to update automatically the reasonableness threshold for a fuel region where there has been a greater than 10% change from the gas price index for the previous evening. (Revised Straw Proposal at pages 34-35).
- The proposal to use a Monday-only index for the gas prices in the Day-Ahead Market for Monday Trade Days. (Revised Straw Proposal at page 36).
- The proposal to allow the gas price index to be determined with as few as one index available from the various index providers. (Revised Straw Proposal at pages 36-37).

At this time, the Six Cities take no position on other elements of the Straw Proposal. The Six Cities will continue to evaluate subsequent analyses, presentations, and comments related to these aspects of the Straw Proposal and may express substantive positions on these points as this stakeholder initiative evolves.

Submitted by,
Bonnie S. Blair
Thompson Coburn LLP
1909 K Street N.W., Suite 600
Washington, D.C. 20006-1167
bblair@thompsoncoburn.com
202-585-6905

Attorney for the Cities of Anaheim, Azusa,
Banning, Colton, Pasadena, and Riverside,
California