

The City of Riverside has the following comments in response to the material presented at the April 3<sup>rd</sup> CRR Stakeholders meeting.

1. Nominations of CRRs sourced at Trading Hubs.

Riverside was concerned with the few allocations awarded at EZGen trading hubs in the Dry Run. However, we are concerned more so now with the increasing complexity and uncertainty of the options that attempt to resolve this phenomenon, especially in light that there is no time to test these alternatives. CAISO's Options 2 and 3 appear dubious in the fact that other unintended "phenomena" may crop up in the real nomination/allocation process this summer. Option 1 comes closest to resolving the problem without causing new unforeseen tribulations. Riverside could support this option at best, otherwise we recommend employing the nomination/allocation rules as followed in the Dry Run.

2. Reserving grid capacity for Auctions.

Riverside advocates that the CAISO retain the auction capacity limits used in the Dry Run.

3. Source Verification rules.

Riverside strongly recommends retaining the 30-day contract minimum, as was supposed to have been the rule in the Dry Run but was changed to smaller durations at the last minute. Riverside also supports the verification period to be calendar year 2006.

4. Set-Aside of Import Capacity.

At this time, Riverside is reluctant to support any options to increase set-asides of import capacity for auctions. Further analysis would be needed to fully endorse CAISO's Options 1 and 2 in their April 3<sup>rd</sup> presentation.

5. Renewal of Expiring LT-CRRs and ETC/CVRs.

This is an extremely complex issue and Riverside has not had time to fully analyze the CAISO's options as described in their March 19<sup>th</sup> CRR Issues paper.