

July 11, 2018

**COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON,
PASADENA, AND RIVERSIDE, CALIFORNIA ON THE
DRAFT FINAL PROPOSAL ON THE RELIABILITY COORDINATOR
RATE DESIGN, TERMS, AND CONDITIONS**

In response to the CAISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") provide their comments on the Draft Final Proposal on the Reliability Coordinator Rate Design, Terms, and Conditions:

- (1) The Six Cities urge the CAISO to provide additional clarity on oversight and governance for the Reliability Coordinator. The Six Cities acknowledge that the CAISO has proposed an oversight committee for the Reliability Coordinator (with the committee including BA and TOP representatives) to provide "input and guidance" to CAISO management on issues relating to implementation of the Reliability Coordinator function, and that the specific functions of this committee will be established at a future date through development of the committee charter. The Six Cities request that the CAISO ensure development of the committee charter is undertaken with stakeholder input. Additionally, the Six Cities request that the CAISO clarify the role and responsibilities of this committee with respect to the CAISO Board of Governors.
- (2) The Six Cities appreciate the additional description of the Supplemental Services, including the Hosted Advanced Network Applications ("HANA") the CAISO intends to provide as part of its RC service offerings. The draft final proposal is not entirely clear with respect to how those services will be funded – whether through the RC budget, with the fees collected from the parties taking these services credited against the RC budget (as suggested on page 14 ("The sum of the direct and indirect expenses less any RC-related supplemental revenue, such as for HANA, is the projected RC budget"), or whether the costs to develop and provide the HANA and the revenues collected will be separately tracked. The Six Cities would like certainty that the costs to provide these services are recovered only from the entities that elect to receive and pay for them.
- (3) The Six Cities previously asked the CAISO to provide (i) a comparison between the CAISO and Peak Reliability budgets (including the basis for the claimed reduction in costs relative to Peak Reliability); and (ii) a comparison of the organizational structure of Peak Reliability and the CAISO. The Six Cities are not aware that this information has

been made available to stakeholders and reiterate their request that the CAISO provide this information to the extent it is available.

Submitted by,

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