

February 23, 2016

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING,
COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE
FREQUENCY RESPONSE DRAFT FINAL PROPOSAL**

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 February 4, 2016 Frequency Response Draft Final Proposal.

In comments regarding the Frequency Response Working Group Discussion, the Six Cities did not support the proposed competitive solicitation process for procuring frequency response from external Balancing Authorities. However, after reviewing the Draft Final Proposal and participating in the February 9th stakeholder call, the Six Cities have developed a better understanding of how the competitive solicitation process would operate. In particular, the Six Cities support the concept of rejecting any bids from external BAs that are higher than the cost of using exceptional dispatch to meet the frequency response obligation. Overall, the Six Cities believe that the proposed competitive solicitation process could be a workable short-term solution for the ISO to meet its frequency response obligation for the 2017 compliance year.

However, the Six Cities still have concerns with the proposed timeline and whether obtaining approval of the competitive solicitation process and completing the process in a timely manner is possible. The activities outlined by the ISO for approval and implementation of the competitive solicitation process – including filing tariff revisions, posting a draft request for proposals and a draft agreement, reviewing responses, executing a final agreement, and filing the agreement with FERC – will likely be difficult to complete in a compressed timeline. The Six Cities request that the ISO clarify what happens should it not complete these tasks on time and whether it has considered an alternative approach to meeting its frequency response obligation in the event these tasks cannot be completed.

Submitted by,

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