

August 29, 2013

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING,  
COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE DRAFT FINAL  
PROPOSAL FOR FERC ORDER 764 MARKET CHANGES INTERMITTENT  
RESOURCE PROTECTIVE MEASURES**

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 August 15, 2013 Draft Final Proposal on FERC Order No. 764 Market Changes Intermittent Resource Protective Measures (the "Draft Final Proposal").

As described in the Six Cities' August 8<sup>th</sup> comments submitted in response to the ISO's Straw Proposal, the Six Cities question the need for "protective measures" for intermittent resources or continuation of any elements of the current Participating Resource Program ("PIRP"). Indeed, the new Order No. 764 15-minute market structure will provide scheduling flexibility to intermittent resources. Therefore, the Six Cities' preference is to eliminate the PIRP upon implementation of the 15-Minute scheduling process.

The Six Cities will not, however, oppose implementation of the targeted and time-limited protective measures described in the ISO's Straw Proposal and revised through its Draft Final Proposal if a PIRP resource is able to demonstrate that it is subject to circumstances that would justify the transition mechanism. As explained in the Six Cities' prior comments, the Six Cities support the ISO's recommendation to apply the protective measures only to resources that meet specified criteria and only for a maximum three-year transition period. Additionally, the Six Cities support the changes in the Draft Final Proposal, eliminating a resource's ability to opt out on an annual basis and specifying the time period in which a resource must request the protective measures.

The Six Cities also seek clarification that resources that receive PIRP protection will not be eligible to count as Flexible RA resources during the time the protective measures are applicable. Because eligibility for the protective measures is premised on inability to respond to ISO dispatch, resources that are subject to the protective measures cannot be capable of providing flexible capacity.

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