

Stakeholder Comments Template

Subject: Exceptional Dispatch – Straw Proposal

Submitted by	Company	Date Submitted
Bonnie Blair 202-585-6905 bblair@thompsoncoburn.com	On behalf of the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, CA (“Six Cities”)	April 24, 2008

This template has been created for submission of stakeholder comments on the topic of Exceptional Dispatch and specifically the straw proposal paper related to this topic as posted on April 14, 2008 (at: <http://www.caiso.com/1f91/1f91cdbc12f0.pdf>) and discussed at the stakeholder meeting on April 15, 2008. Upon completion of this template please submit (in MS Word) to <mailto:jmccclain@caiso.com>. Submissions are requested by close of business on April 24, 2008.

Please provide your comments to the areas below related to the two straw proposals and aspects of the proposals that you do or do not support in the space below. There is also a general comments section for any other comments you would like to provide.

1. Option 1 – Bid Adder Option

Of the two options that the April 14, 2008 straw proposal paper proposes for consideration, the Six Cities support the Bid Adder Option at the proposed Bid Adder level of \$24/MWH.

2. Option 2 – Relaxed Mitigation Option

The Six Cities do not support the Relaxed Mitigation Option, because it appears likely to permit the exercise of market power and the collection of unreasonably high revenues, especially in conjunction with the potential for designation and compensation under the ICPM proposal.

3. Effect of the Exceptional Dispatch options on incentive to accept or decline ICPM designation

It seems likely that the Relaxed Mitigation option would provide an incentive for generators to decline an ICPM designation, at least during the initial weeks in a month, due to the possibility that a generator could collect up to the level of ICPM revenues as a result of Exceptional Dispatch and then collect the same amount under an ICPM designation. The Bid Adder Option appears less likely to discourage acceptance of an ICPM designation.

4. Types of Exceptional Dispatch that should or should not be eligible for supplemental payments or subject to relaxed mitigation

Resources that are receiving capacity payments under Resource Adequacy contracts, an ICPM designation, or an RMR contract should not be eligible for supplemental payments or relaxed mitigation.

5. Requirement to bid into the CAISO markets in order to be eligible to receive the Bid Adder option

Supplemental payments under the Bid Adder option should be limited to resources that have submitted a bid in the IFM or RTM and are required to start-up in response to an Exceptional Dispatch.

6. General comments