

*Stakeholder Comments*  
***Commitment Cost Enhancements Phase 2 Straw Proposal***  
*Submitted by City of Pasadena*  
*On November 19, 2014*

City of Pasadena submits the following comments on the Commitment Cost Enhancements Phase 2 Straw Proposal.

Greenhouse Gas Costs

In reference to slide 16 of the presentation, City of Pasadena recommends that the ISO allow covered entities' natural gas resources to reflect GHG costs in their commitment costs even if gas price indices include gas supplier's GHG costs. The covered entities will still have their own GHG obligations and the costs associated with that. In other words, having the gas supplier's GHG costs included in the gas price does not cover the GHG obligation for covered entities. We recognize that it is yet to be determined how GHG costs incurred by natural gas suppliers will be handled, but unless covered entities are receiving a credit for the GHG cost as part of the gas price, covered entities should still be able to include their GHG costs as part of the commitment cost calculation.

Thank you for your consideration.

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