

Comments of the California Manufacturers and Technology Association and Energy Users
Forum on
the California ISO's Proposal to Eliminate Convergence Bidding at the Interties

As the ultimate bill payer, we urge that any market "option" provide more value to customers than it costs. Currently, there are issues with CB at the interties that cause value to flow from customers to parties engaging in strategic bidding behavior; the benefits of CB at the interties haven't been proven to exceed the harm to customers caused by strategic bidding behavior. Furthermore, the strategic bidding behavior creates cost volatility and this volatility creates additional market risk, which also shifts value away from California end use electricity customers. In addition, there has been no showing that eliminating CB at just the interties, will have a significant impact on the market benefits that CB is asserted to provide. For these reasons we support the ISO's proposal to eliminate convergence bidding at the interties.

Although the comments are not due yet and these comments are not in the exact form that will be requested, please consider these comments as part of the ISO's decision making process and include them in the stakeholder comment matrix.

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**On Behalf of the California Manufacturers and Technology Association and Energy Users
Forum**