

## Template for comments

Please use the template below to submit comments to the CAISO. Comments are due by close of business Thursday, October 21, 2010 to [gmc@caiso.com](mailto:gmc@caiso.com).

### **Stakeholder Comments Template** **Subject: 2012 GMC Cost of Service Straw Proposal**

<b>Submitted by (Name and phone number)</b>	<b>Company or Entity</b>	<b>Date Submitted</b>
John Childress	Mercuria Energy	March 1, 2011

We are writing in response to the 2012 GMC Draft Final Proposal, specifically regarding the proposed CRR bid transaction fees. We have in the past twice submitted written comments objecting to the current proposed the scheme and would like to do so again.

First, we believe that during the stakeholder process, there were sufficient objections to the proposed CRR bid charges in the form of \$1 flat rate CRR Bid Transaction Fees. However, we feel that the ISO didn't seem to take into sufficient consideration of the concerns raised by various stakeholders but rather chose to maintain the initial proposed scheme. We believe since it impacts the financials of all CRR market participants, especially the financial participants; it is prudent to take into consideration of all the concerns of and objections to the proposed fee structure, and not to rush to finalize the proposal.

Also, as we emphasized in the previous correspondences with the ISO regarding this issue, we strongly feel that the current fee structure does not reflect the true cost burdens born by various CRR market participants proportionally and thus creates additional disincentives for financial players to actively participate in the CRR market and to provide necessary liquidity and price discovery. It therefore in the long run hurts the healthy development of the CRR market and all the market participants involved.

Based on the abovementioned reasons, we strongly urge the ISO to reconsider the proposal before finalization and continue to balance the interests of different market participants to arrive at an equitable solution that is acceptable to all.