

## Stakeholder Comments Template

### Subject: Credit Policy Enhancements

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the topics covered in the September 22, 2008 Credit Policy Enhancements stakeholder meeting. Upon completion of this template, please email your comments (as an attachment in MS Word format) to [CreditPolicyComments@caiso.com](mailto:CreditPolicyComments@caiso.com). All comments will be posted to CAISO's Credit Policy Stakeholder Process webpage at <http://www.caiso.com/docs/2003/04/21/2003042117001924814.html>.

Submissions are requested by close of business on **October 7, 2008 or sooner**.

Please submit your comments to the following questions for each topic in the spaces indicated.

Responses to questions 1 – 9, and 11-13 were filed by Margaret McNaul on behalf of the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California on October 3, 2008.

Question #10 in the above referenced filing included a comment that “One or more of the Cities may submit individual comments with regard to this item.”

As forewarned in the original submission, this submittal only provides a response for Question 10.

10. Do you support CAISO changing its loss sharing/chargeback mechanism to include the allocation of a payment default to all Market Participants – not just net creditors during the default month? What measure should be used to apportion exposure to the chargeback?

The current methodology of allocating any default to only a subset of all market participants is not equitable. Market Participants should not be given a “free ride” with a structure that allows manipulation of market transactions in such a manner as to benefit from the participation in the CAISO market and simultaneously avoid any of the risks of the same market participation.

Riverside and Anaheim support the CAISO changing its loss sharing/chargeback mechanism in such a manner that all remaining market participants share in the burden of credit defaults, through some prorata share of their participation in the CAISO markets.

Riverside and Anaheim support further stakeholder processes to vet out and further explore the allocation issues in order to determine the appropriate measure to apportion the chargeback.