

April 23, 2012

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON,  
PASADENA, AND RIVERSIDE, CALIFORNIA ON THE DRAFT FINAL PROPOSAL ON  
FLEXIBLE RAMPING PRODUCTS**

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") submit the following comments on the ISO's April 9, 2012 Draft Final Proposal on Flexible Ramping Products ("the Draft Final Proposal").

At this time, the Six Cities generally support the framework for the development of Flexible Ramping Products set forth in the Draft Final Proposal. However, the Cities share the concerns expressed in comments submitted by other stakeholders (*e.g.*, Southern California Edison Company, Pacific Gas and Electric Company, and the California Public Utilities Commission) that the complexity of the Flexible Ramping Products construct creates substantial risks of unanticipated interactions with other market design features, potential opportunities for exploitation of design flaws, or unintended inefficiencies or adverse incentives. In addition, the Draft Final Proposal lacks any supporting detail regarding regional procurement of Flexible Ramping Products and allocation of related costs on a regional basis. The Six Cities, therefore, agree with the suggestion by Southern California Edison Company that the ISO should include in the Tariff amendments to implement the Flexible Ramping Products a provision allowing temporary suspension of the Flexible Ramping Products provisions (and a return to the Flexible Ramping Constraint while such temporary suspension is in effect) in the event that implementation of the Flexible Ramping Products design gives rise to exploitation of design imperfections or other unanticipated adverse market impacts.

Bonnie S. Blair  
Thompson Coburn LLP  
1909 K Street N.W., Suite 600  
Washington, D.C. 20006-1167  
[bblair@thompsoncoburn.com](mailto:bblair@thompsoncoburn.com)  
202-585-6905

Attorney for the Cities of Anaheim, Azusa, Banning,  
Colton, Pasadena, and Riverside, California