

May 5, 2016

**COMMENTS ON THE CONGESTION REVENUE RIGHTS
CLAWBACK RULE MODIFICATION STRAW PROPOSAL
ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA,
BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA**

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 Congestion Revenue Rights ("CRR") Clawback Rule Modification Straw Proposal ("Straw Proposal").

The Six Cities support the ISO's proposal to modify the CRR clawback rule so that import and export changes between the day-ahead market and FMM that meet certain conditions are no longer subject to the CRR clawback rule. The ISO's proposed change appears to be conceptually reasonable to achieve the intended benefit of encouraging more economic bids at the interties in the FMM.

The Six Cities also support the ISO's modification to remove the exemption from the CRR clawback rule for convergence bids cleared on default load aggregation points and trading hubs. The ISO explains that convergence bids at aggregation points, like those at individual nodes, also can cause constraints resulting in congestion. *See* Straw Proposal at 7. The Six Cities agree with the ISO that there does not appear to be a reason to treat virtual bids at load aggregation points or trading hubs differently from other virtual bids with respect to application of the CRR clawback rule.

Submitted by,

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