

August 8, 2013

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE STRAW PROPOSAL FOR FERC ORDER 764 MARKET CHANGES INTERMITTENT RESOURCE PROTECTIVE MEASURES**

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 July 26, 2013 Straw Proposal on FERC Order 764 Market Changes Intermittent Resource Protective Measures (the "Straw Proposal"):

In light of the scheduling flexibility that will be available to intermittent resources under the new FERC Order No. 764 15-Minute market structure, the Six Cities question the need for "protective measures" for intermittent resources or continuation of any elements of the current Participating Intermittent Resource Program ("PIRP") in any form. The Six Cities would prefer that the ISO eliminate the PIRP immediately and entirely upon implementation of the 15-Minute scheduling process.

However, if specific PIRP resources can demonstrate that they are subject to circumstances that would justify a transition mechanism, the Six Cities would not oppose implementation of the targeted and time-limited protective measures described in the Straw Proposal. In particular, the Six Cities support the Straw Proposal's recommendation to apply the protective measures (essentially, continuation of the current PIRP monthly netting methodology) only to resources that meet specified criteria and only for a maximum three-year-transition period. In addition, the Six Cities support the allocation of differences between the real-time market settlement of any resource under the protective measure and the settlement that would have occurred under the FERC Order No. 764 market design to net negative deviations.

Submitted by,

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