

July 14, 2017

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING,  
COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE DRAFT FINAL  
PROPOSAL FOR GENERATOR CONTINGENCY & RAS MODELING**

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 Draft Final Proposal for Generator Contingency & RAS Modeling, posted on June 30, 2017 ("the Draft Final Proposal"):

The Six Cities remain uncertain whether the benefits of implementing generator contingency and RAS modeling will justify the implementation costs and increased complexity in the market models. For that reason, the Cities neither support nor oppose the Draft Final Proposal at this time. However, if the ISO proceeds to implement generator contingency and RAS modeling, the Six Cities support the ISO's proposal to model the generator and remedial action scheme constraints in the CRR market, and the use of monthly average generator distribution factors for the peak and off-peak CRR periods appears reasonable. Implementing revisions to the CRR model as consistent as possible with revisions to the constraints modeled in the Day-Ahead Market appears most likely to minimize the potential for adverse effects on CRR revenue adequacy resulting from the modeling of generator contingency and RAS constraints.

The Six Cities reiterate their previous recommendation that the ISO conduct appropriate market simulations before implementing the modeling changes described in the Draft Final Proposal. Further, if the ISO proceeds to implement generator contingency and RAS modeling in all markets, it should monitor the effects of the modeling changes on both uplift costs and CRR revenue adequacy and include analyses of those impacts in the periodic market performance reports.

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