COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON DRAFT 2019 TARIFF CLARIFICATIONS LANGUAGE

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 draft language for 2019 tariff clarification amendments posted by the ISO on March 5, 2019:

Section 40.4.6.2.2.1

In the third line, the new reference is incorrect, as there is no tariff Section 40.6.4.2.2.2. It appears that the correct reference should be 40.4.6.2.2.2. The matrix of Proposed Changes at page 13 also includes erroneous section references both in the column labeled "Section" and in the column labeled "Proposed Changes."

Section 40.9.6.2(d)

In the next to last line, the word "to" should remain in the text of the section prior to "Load."

Section 42.1.5

The proposed language at the end of the section does not appear to be an appropriate clarification and appears to be inconsistent with other aspects of the tariff. The existing tariff in Section 43A provides that the ISO may procure capacity needed to maintain reliability under the Capacity Procurement Mechanism ("CPM") and establishes pricing terms for such procurement. For Real-Time capacity needs, the CPM section provides for CPM designation of capacity subjected to Exceptional Dispatch by the ISO. Tariff Section 41 also provides for procurement of capacity by the ISO under the Reliability Must Run ("RMR") provisions under specified circumstances and with defined pricing provisions. The language proposed to be added to Section 42.1.5 implies that there is some additional but unspecified backstop procurement authority that has pricing provisions different from those applicable under the CPM and RMR sections. It appears to the Six Cities that the CPM or RMR backstop authority could cover any capacity procurement required to maintain compliance with Applicable Reliability Criteria. If the ISO believes that is not the case, the tariff should explain clearly the circumstances under which any additional procurement authority will apply, how prices will be determined, and how the associated costs will be recovered from market participants.

Appendix J

It is not clear why the "Definitions" sub-section (currently subsection 3, proposed to be re-numbered to sub-section 2) remains necessary following the deletion of the current sub-section 1. Current sub-section 3 appears to be limited to specialized definitions of terms related to sub-section 1; with the deletion of sub-section 1, it appears that current sub-section 3 also should be deleted to avoid inconsistency with definitions in Appendix A.

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