

July 23, 2015

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING,  
COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE  
ENERGY IMBALANCE MARKET YEAR 1 ENHANCEMENTS PHASE 2  
ISSUE PAPER & STRAW PROPOSAL**

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 regarding the ISO's June 30, 2015 Energy Imbalance Market Year 1 Enhancements Phase 2 Issue Paper & Straw Proposal (the "Issue Paper"):

The Six Cities agree that further data are necessary to evaluate the desirability of changes to the currently effective treatment of transmission charges for EIM transactions and allocation of real time congestion offset costs. Pending review of the data to be assembled, the Cities take no substantive position on potential changes to these aspects of the EIM design, with one exception. The Six Cities oppose any change to the ISO's transmission charge to apply the transmission charge only to loads within the ISO BAA and to wheeling schedules. Exports from the ISO BAA use the ISO transmission system and should help to support the transmission grid. The ISO's suggestion (Issue Paper at 10) that because the volume of exports is small in comparison to ISO load, there would be minimal impact if load and wheeling schedules are required to pay all grid costs is unpersuasive. Transmission costs have increased dramatically over the past several years and are expected to increase even further. There is no justification for requiring ISO load to subsidize export transactions.

The Issue Paper proposes, at pages 19-20, that the ISO report outage data for EIM Entities to the Peak Reliability Coordinator ("RC"). The Six Cities do not oppose this aspect of the Issue Paper, provided that it is absolutely clear in advance that any penalty, fine, or other liability the ISO may incur as a result of any delay or error in reporting outage data for an EIM Entity to Peak RC will not be recoverable from or allocated to load in the ISO BAA.

The Six Cities take no position at this time with respect to other topics discussed in the Issue Paper.

Submitted by

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