

May 27, 2015

SUPPLEMENTAL COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE CALIFORNIA ON THE BIDDING RULES ENHANCEMENTS FERC ORDER NO. 809 ISSUES

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 supplemental comments regarding the ISO's Bidding Rules Enhancements Straw Proposal ("Straw Proposal") as it relates to FERC Order No. 809, FERC's rule addressing changes to gas scheduling practices.

As discussed in their comments submitted on May 7, 2015, the Six Cities support Alternative 2 presented in the Straw Proposal, *i.e.*, maintaining the currently effective timeline for the ISO's Day-Ahead market, at least until there has been an observed shift in the timeline for gas trading such that significant volumes of gas are traded after the ISO posts Day-Ahead schedules. The Six Cities' position is consistent with the views expressed by all load serving entities that submitted comments in the first round. The LSEs that submitted comments unanimously support maintaining the current Day-Ahead process based on the following observations:

- There would be no reliability benefits to the ISO's system from pushing the Day-Ahead market to close earlier, because the gas infrastructure in California is sufficiently robust that gas is available even after the Timely nominations process. *See* SCE's May 11 comments.
- Moving the Day-Ahead market to close earlier would increase risks from price uncertainty. *See* comments submitted on May 11 by SCE and on May 7 by PG&E.
- Moving the Day-Ahead market to close earlier would result in reduced accuracy in load forecasts and forecasts of VER output, leading to greater volatility in the Real-Time market and increased costs to consumers. *Id.*
- Moving the Day Ahead market to close earlier likely would have an adverse impact on availability of imports. *See* SCE's May 11 comments.

The Six Cities concur in these observations and believe that they provide compelling support for maintaining the current timeline for the ISO's Day-Ahead market under established gas trading practices.

Submitted by,

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