

Stakeholder Comments Template

FRACMOO 2 Stakeholder Working Group

This template has been created for submission of stakeholder comments on the FRACMOO 2 Working Group Call that was held on August 2, 2017. The working group presentations and other information related to this initiative may be found at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/FlexibleResourceAdequacyCriteria-MustOfferObligations.aspx>

Submitted by	Company	Date Submitted
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Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **August 18, 2017**.

Please provide your organization's comments on the following items:

1. Operational issues discussed during the working group related to flexible capacity needs.

Six Cities' Response: The Six Cities have no comments at this time on the operational issues discussed during the working group call.

2. Proposed flexible capacity procurement framework presented by The Brattle Group.

Six Cities' Response: The conceptual framework presented by the Brattle Group for evaluating flexible capacity needs and establishing procurement policies to address those needs appears reasonable.

3. Proposed flexibility metrics and any additional metrics that you believe the CAISO should consider.

Six Cities' Response: The Six Cities have no comments at this time on the proposed flexibility metrics.

4. Plan to move the flexible capacity initiative forward.

Six Cities' Response: The Six Cities support the ISO's decision to reframe the flexible capacity initiative to focus the initiative on development of flexible capacity requirements that are aligned with operational needs as identified through comprehensive review and

rigorous analysis of available data. The ISO should be open to considering multi-faceted solutions for addressing operational needs identified and defined through the data analysis, including, *inter alia*, market design changes and changes to interconnection and/or telemetry requirements for resources. In particular, the Six Cities encourage the ISO to explore ways to address the current disincentives for submission of economic bids at the interties arising from risks that intertie transactions will be settled at prices different from and less favorable than the bids that led to the dispatch of the transactions.

5. Any other comments.

Six Cities' Response: The Six Cities have no other comments at this time.