

April 5, 2017

COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE REVISED STRAW 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 Revised Straw Proposal for Generator Contingency & RAS Modeling, posted on March 15, 2017 and corrected/clarified on April 3, 2017 ("the Revised Straw Proposal"):

At this time, the Six Cities remain unable to express a substantive position with respect to the desirability of generator contingency and RAS modeling as described in the Revised Straw Proposal. However, if the ISO proceeds to implement generator contingency and RAS modeling, the Six Cities support the ISO's proposal "to add the generator and remedial action scheme constraints into the CRR market in the same way it proposes to add the constraints to the day-ahead market." Revised Straw Proposal at 59. The Revised Straw Proposal illustrates the possibility that modeling generator contingency and RAS constraints in the Day-Ahead Market but not in the CRR market will increase the already severe revenue inadequacy of CRRs. Implementing revisions to the CRR model consistent 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.

In addition, if the ISO proceeds to implement generator contingency and RAS modeling in all markets, including the Real-Time Market (Revised Straw Proposal at 54), it is not clear to the Six Cities why the revisions in the modeling would be optional for EIM Entities as suggested at the same page. It is the Cities' understanding that the ISO applies the same algorithm for dispatch optimization in all BAAs participating in the EIM. The Six Cities request that the ISO consider and explain the potential consequences of applying an approach to modeling in the Real-Time Market that could differ among the BAAs participating in the EIM.

Finally, the Six Cities reiterate their previous recommendation that the ISO conduct appropriate market simulations before implementing the modeling changes described in the Revised Straw Proposal.

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