

June 24, 2011

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING,
COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA REGARDING REVISED
STRAW PROPOSAL ON IMPACT OF CONVERGENCE BIDDING ON INTERTIES**

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 in response to the June 10, 2011 Revised Straw Proposal on the Impact of Convergence Bidding on Interties (the "Revised Proposal").

The Six Cities fully support the measures set forth in the Revised Proposal to address the effects of Convergence Bidding on the interties on Real-Time Energy Imbalance Offset amounts, including specifically the ISO's proposal to suspend Convergence Bidding at the interties and to adopt other measures to discourage implicit virtual bidding on the interties. The Six Cities also encourage the ISO to move forward to investigate other market design revisions to address the broader effects of persistent differences between HASP and Real-Time prices.

Submitted by

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