

September 18, 2018

**COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON,
PASADENA, AND RIVERSIDE, CALIFORNIA ON THE DAY-AHEAD MARKET
ENHANCEMENTS PHASE 1: FIFTEEN-MINUTE GRANULARITY
SECOND REVISED STRAW PROPOSAL**

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") provide their comments on the August 27, 2018 Day-Ahead Market Enhancements Phase 1: Fifteen-Minute Granularity Second Revised Straw Proposal (the "Second Revised Straw Proposal"):

The Six Cities support the ISO's proposal to adopt 15-minute granularity for bidding and scheduling in the Day-Ahead and Real-Time markets, including Residual Unit Commitment and procurement of Ancillary Services. The Six Cities share the ISO's view that 15-minute granularity in bidding and scheduling should contribute to procuring resources in the Day-Ahead Market that will be better positioned to satisfy demand in the Real-Time Market reliably and efficiently. *See* Second Revised Straw Proposal at 5. In light of the benefits expected to result from 15-minute bidding and scheduling granularity, the Six Cities recommend that the ISO seek to implement the proposed revisions as promptly as reasonably possible. The Second Revised Straw Proposal indicates at page 4 that the ISO expects to implement the proposed enhancements in the fall of 2020. Since the ISO expects to seek Governing Board approval of the 15-minute granularity enhancements in the Board's November 2018 meeting, it is not obvious why implementation should require nearly two years. The Six Cities support an implementation schedule that allows both the ISO and stakeholders sufficient time to develop carefully and to test system modifications required to implement the enhancements. But the Cities encourage the ISO to pursue implementation more expeditiously if it can be done consistent with needs for careful development and testing.

The Second Revised Straw Proposal at page 13 proposes to limit procurement of Ancillary Services from intertie resources to ones that can be scheduled on a 15-minute basis. Prior to expressing a position on that aspect of the Second Revised Straw Proposal, the Six Cities request that the ISO provide an estimate of the potential cost impacts on AS procurement of adopting the proposed limitation on eligible AS resources at the interties.

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