



California Independent  
System Operator Corporation

# **Status of GMC Rate Structure**

## **Finance Committee Meeting**

**April 19-20, 2006**

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## Expiration of 2004 GMC Settlement

- **Settlement Expires December 31, 2006**
- **Filing required**
  - Section 205 per Settlement Agreement
  - No later than November 1, 2006 for effective date of January 1, 2007

## GMC Options for 2007 Process

- **White paper (Straw Proposal)– February 24**
  - Extend Settlement to October 31, 2007
  - Make needed modifications
    - Remove MID fixed payment obligation (\$75,000 monthly)
    - Update revenue requirement target for 2007
    - Update other references, as needed
  - Comments received
    - Four support extension of settlement (Williams, Southern California Edison, Dept. of Water Resources, Cogeneration Association of California/Energy Producers and Users Coalition)
    - Coral-Energy supports MRTU ready rate structure for 2007
    - California Wind Energy Association (CalWEA) & enXco request monthly netting of deviations for Participating Intermittent Resource Program (PIRP)

## **GMC Options for 2007 Process (cont.)**

- **March 7 conference call – 35 participants**
- **March 20 meeting**
  - About 30 participants
  - Review of Settlement Agreement
  - Reviewed Straw Proposal and MRTU ready alternative
  - Other Issues – PIRP netting of deviations
  - Broad support for extension of Settlement
- **Next meeting – April 25**
  - Estimated bill impacts
  - Billing determinant forecast
  - Changes to language of Settlement

## GMC Options for 2007 Process (cont.)

### ■ Available documents posted

- On ISO website:

<http://www.caiso.com/17a7/17a7885b484d0.html>

- Before each meeting/conference call
- Includes agenda and meeting notes

### ■ Issue of confidential bill data

- Market notice concerning potential release
- Subject to confidentiality/non-disclosure agreement per Tariff requirements
- Addressed SC concerns by modifying detail of data to be released

## Stakeholder Issues

Stakeholder Concern	ISO Response
<p><b>Monthly netting of deviations for GMC deviations related charges (CalWEA and enXco)</b></p>	<p><b>PIRP issues extend beyond GMC to market charges and forecasting accuracy as well. ISO will work to resolve PIRP issues in process separate from GMC.</b></p>
<p><b>Minimize changes to GMC prior to MRTU implementation (IOUs, munis, cogenerators/QFs, Williams)</b></p>	<p><b>ISO concurs</b></p>
<p><b>Minimize changes to GMC after MRTU implementation (Coral)</b></p>	<p><b>ISO concurs</b></p>
<p><b>Need preview of 2007 revenue requirement and rates to be comfortable with an extension (IOUs, munis, cogenerators/QFs, CPUC)</b></p>	<p><b>ISO provided current best estimate of 2007 revenue requirement and rates on March 20. Will provide bill impacts by next meeting.</b></p>

## Next Steps

- **Additional meetings/conference calls, as needed**
- **Additional outreach**
  - Efforts to date
    - 4 market notices
    - Direct email sent to parties on Commission's service list
- **Concurrence of stakeholders by end of May**
- **Board approval for extension of Settlement by July Board meeting**
- **Commission filing**