

## ATTACHMENT C

## Energy Exchange Program Neutrality Adjustment

Charge Type 1487

SC Settlement Contacts:

### Background

As you may know, the Energy Exchange Program began on trade date 11/14/2000. In this program the ISO obtained needed energy in the real time market and, rather than paying for the energy as a purchase, later returned the energy in another period. This was not necessarily a one-for-one exchange. The incoming energy created a positive neutrality adjustment and when the energy was returned, a negative neutrality adjustment ensued. Since the incoming and outgoing energy were usually valued differently, there was a cost shift associated with the transaction that was not cash neutral to the ISO. The ISO created Charge Type 1487 for the allocation of the cost to SCs participating in the market during the incoming schedules

### Notification

The ISO has created Charge Type 1487 so that whenever an Energy Exchange account is closed or reaches a zero balance, the incurred costs will be calculated and allocated to the SC's based on their total negative Uninstructed Energy over those intervals in which the incoming schedules took place. This new Charge Type will appear beginning on the June 30, 2001 statements which will be published on August 23, 2001. In addition a few accounts reached a zero balance as early as December, 2000 and therefore allocations may or may not appear on your statement with the rerun data.

CT 1487 is a semi automated charge, meaning that the collection of energy data is automated, but it will be a manual charge type within the Manual Line Item Records and will not require a change to your settlement system. Note that this charge will not appear on every statement, but only when an Energy Exchange account is closed or reaches a zero balance.

If you have any questions, please contact your Client Relations Account Manager.

Client Relations Communication  
CRCommunications@caiso.com