

Briefing on 2015 GMC Update
ISO Folsom Facility
April 17, 2014
10:00a.m. – 11:30 p.m.

Attendees:

Name	Organization	Name	Organization
Via Phone:		Present:	
Michael Ward	Alston & Bird	Mike Epstein	CAISO
Mike Benn	Powerex	Christina Erlandes	CAISO
Christine Kirsten	PacifiCorp	Stephanie O'Guinn	CAISO
Bert Hansen	Southern Cal Edison	Don Tretheway	CAISO
Jose Vargas	City of Riverside	April Gordon	CAISO
Bonnie Blair	Thompson Coburn LLP	Denise Walsh	CAISO
Mike McGuffin	CES	James Lynn	CAISO
Elaina Machado	SCE	Kristina Osborne	CAISO
Cindi L Kugel	Riverside	Jan Cogdill	CAISO
Mike Whitney	NCPA	Judy Sanders	CAISO
Sandra Henriksen	Midway Sunset	Tricia Johnstone	CAISO
John Perry	TID	Janet Morris	CAISO
Jim Corboy	Abengoa T&I	Sean Neil	Modesto/SVP
Chris Soderlund	SDG&E	Geoff Gong	CDWR
Hasna Khan	Energy Systems	Kyle Hoffman	Powerex
Jo Johnson	Portland General	Maury Kruth	FERC
Kurt Hansen	PG&E	Clay MacArthur	Deseret Power Electric Coop
Bob Kargoll	PG&E		

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Questions or comments about the GMC should be directed to: GMC@caiso.com

The following topics were covered:

- Timeline and GMC update components
- Overview of Activity Based Costing (ABC)
- Updated cost of service study (COSS)
- Revised cost category percentages
- Updated Energy Imbalance Market (EIM) COSS
- Revised Transmission Ownership Rights (TOR) fee
- Proposed revenue requirement cap and extension
- Calendar and next steps

#	Comment/Question	Stakeholder	CAISO Respondent	ISO Response
1.	Re. level 3 and 4 activities internally - do you have a list and what are they used for?	Sean Neil Modesto/SVP	Tricia Johnstone	Levels 3 & 4 used for impact and compliance analysis; Not every Business Unit has documented level 3 or 4 processes Time is recorded only at level 2
2.	Is the Business Unit recording level 3 time?	Sean Neil Modesto/SVP	Tricia Johnstone Mike Epstein	No- only at level 2. There are no level 3 codes Level 3 is used for compliance but not for time recording
3.	Cannot locate all level 1 activities in the discussion paper	Geoff Gong CDWR	Mike Epstein	Table 2 shows the 6 direct activities Table 5 shows the 3 support activities
4.	Is this the final COSS? Is it different from the April 2 EIM COSS?	Bob Kargoll PG&E	Mike Epstein	April 2 is the final COS study in discussion paper 2 and the EIM COS is in discussion paper 3
5.	Debt Service – Are there other anticipated bond financing	Sean Neil Modesto/SVP	Mike Epstein	No future financings contemplated. The 2009 bonds were refinanced in 2013. See the 2014 budget book.
6.	How long is the 2013 bonds	Sean Neil Modesto/SVP	Mike Epstein	Same length as the 2009 bonds. Expire in 2039

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7.	Indirect Charges in relation to EIM: Is the ISO performing market operator service and are the cost going into the indirect bucket? It should be largely reliability and not to market operations	Clay MacArthur Deseret Power	Don Tretheway/ Mike Epstein	Indirect charges are allocated in proportion to direct costs. All categories must include their share of all ISO indirect costs. Market operator services are included in direct activities and allocated to both market services and systems operations. No market operator costs are included in indirect costs.
8.	Slide 27 Are you working with 2013 data for calculation of the rates?	Bob Kargoll PG&E	Mike Epstein	The base year data is from 2013 to be used for the years beginning in 2017
9.	Is there an issue basing rates on a set of 2013 costs in 2015-2017?	Kurt Hansen PG&E	Mike Epstein	Using 2013 is the only available data on which to base the rates and percentages.
10.	What cost code is used for the implementation agreement for EIM	Bob Kargoll PG&E	Mike Epstein	The implementation costs are not included in the COSS. Those costs are funded entirely by the joining entity – PacifiCorp.
11.	Activities 365 and 366 Transmission and scheduling desk should be allocated to Real Time dispatch	Kurt Hansen PG&E	Don Tretheway Tricia Johnstone	365 - PacifiCorp will manage their own transmission system and communicated outages to the Market Operator. In addition to transmission outages, PacifiCorp actually communicates the limits that will be enforced in the market. 366 – The EIM entity is still responsible for all e-tagging within its own system. The ISO will not perform these services on behalf of an EIM Entity balancing area authority.
12.	Has NV Energy made any changes to implementation charges?	Sean Neil Modesto/SVP	Mike Epstein	It will be in the \$1M range and the same formula will be used as in the PacifiCorp filing
13.	Assuming the ISO doesn't exceed the \$202M cap and the COSS study doesn't have any major changes, will there be a 205 filing with FERC	Bob Kargoll PG&E	Mike Epstein	With those assumptions there would be no 205 filing. Only if there is budget pressure in the future would a filing be made but there is no current anticipation of a filing
14.	Is the updated COSS requirement proposed as a Tariff amendment?	Sean Neil Modesto/SVP	Mike Epstein	Yes, the 3 year COSS updating will be in the tariff.
15.	Where did you get the 10 cent rate for the PIRP forecasting fee?	Geoff Gong CDWR	Mike Epstein	It's a fixed rate stated in the Tariff