

# Decision on Modification to EIM Administrative Charge

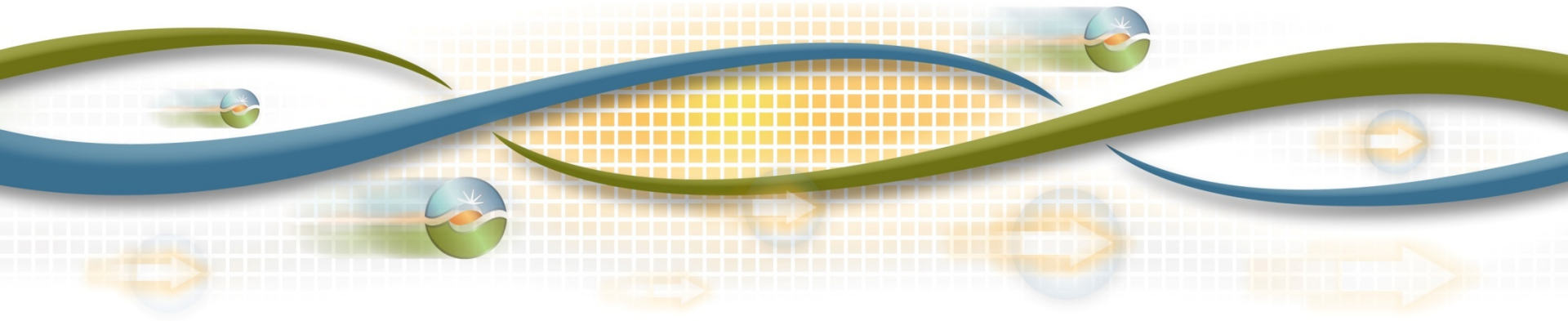
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# Objective of the EIM administrative charge design is to recover ISO operational costs

- Similar charge for similar real-time market services between ISO market participants and EIM market participants
- Minimum charge to cover ongoing operational costs independent of imbalance volumes

# The current design of the EIM administrative charge is resulting in higher payments to ISO than expected

- Actual revenues are inconsistent with expectation of revenue slightly higher than minimum administrative charge

Administrative Charge (\$)	PACE	PACW	Total
Actual	\$99,144	\$118,741	\$217,885
Minimum	45,772	29,157	74,929

- Single EIM administrative rate resulting in different charges for same services if ISO market participant

Administrative Charge (\$)	PACE	PACW	Total
Actual EIM Charge	\$99,144	\$118,741	\$217,885
ISO GMC Charge	59,158	87,030	146,188

Management proposes to impose only the minimum EIM administrative charge while long term redesign is discussed with stakeholders

- Consistent with expectation that 5% load and exports plus 5% generation and imports is sufficient to recover ongoing costs
- Single EIM administrative rate and EIM imbalance billing determinant resulting in higher charges than would be incurred by ISO market participant

## Modification of EIM administrative charge is consistent with the policy intent originally discussed with stakeholders

- A stakeholder meeting was not held in advance of seeking Board approval
- Management sought informal feedback from stakeholders that pay the significant portion of GMC
- Long term redesign of the EIM administrative charge will be included in the current EIM year 1 enhancements stakeholder initiative

In summary, Management recommends approval of the modification to the EIM administrative charge:

- Current EIM administrative charge is resulting in a revenue recovery above the expectations
- Over recovery is inconsistent with policy objectives discussed in the 2013 EIM design stakeholder process
- Management will include a comprehensive redesign in the current EIM year 1 enhancements stakeholder