

ALLOCATION OF EMISSION COST ALLOWANCES

Purpose

The purpose of this document is to explain the allocation methodology used by the CAISO for the Emissions Cost that has been previously communicated.

Methodology for Allocating Offsets

This description uses sample data that represents a hypothetical Scheduling Coordinator's total Control Area Gross Load, by month.

To obtain the allocation percentages that were circulated earlier, the CAISO divided each Scheduling Coordinator's monthly Control Area Gross Load by the total Control Area Gross Load throughout the refund period (18682.7 in this example) to obtain, for each month and each Scheduling Coordinator, the percentage of the total Control Area Gross Load that was served in each month by each SC.

For display purposes, the percentages are rounded to the nearest tenth. There is no such rounding in the actual calculation.

Month	SC's CAGL	% of Total
Oct-00	75.67	.4%
Nov-00	196.34	1.1%
Dec-00	293.81	1.6%
Jan-01	295.57	1.6%
Feb-01	161.06	.9%
Mar-01	176.16	.9%
Apr-01	234.75	1.3%
May-01	122.44	.7%
Jun-01	312.47	1.7%
Total	1868.27	10%

To obtain final allocations, the CAISO will use the total offsets approved by FERC and allocate them according to the percentages. For example if the total dollars to be allocated were \$133,294.91, the hypothetical Scheduling Coordinator would receive the following allocation:

Trade Month	Total Load	% of Total	Total dollars to be allocated
Oct-00	75.67	.4%	\$ 539.88
Nov-00	196.34	1.1%	\$ 1,400.82
Dec-00	293.81	1.6%	\$ 2,096.24
Jan-01	295.57	1.6%	\$ 2,108.80
Feb-01	161.06	.9%	\$ 1,149.11
Mar-01	176.16	.9%	\$ 1,256.84
Apr-01	234.75	1.3%	\$ 1,674.86
May-01	122.44	.7%	\$ 873.57
Jun-01	312.47	1.7%	\$ 2,229.37
Total	1868.27	10%	\$ 13,329.49

Mechanism for Reflecting Offsets as Credits and Charges

For purposes of calculating interest, the ISO must allocate the resulting credits and charges to specific trade months. The resulting credits will be allocated in proportion to the SC's total load, as reflected above. The corresponding charges will be allocated to the same months.

Amounts of Approved Emissions Offsets by Party

Party	Emissions Offset Amount	FERC Approval
Duke	\$ 133,294.91	October 16, 2003 "Order on Rehearing," 105 ¶ 61,066 (2003) at P 153 (findings that emissions costs were only recoverable for mitigated intervals, but not including a requirement for parties that already had approved amounts to make compliance filings with FERC).
Dynegy	\$11,841,033.00	October 16, 2003 "Order on Rehearing," 105 ¶ 61,066 (2003) at P 153 (findings that emissions costs were only recoverable for mitigated intervals, but not including a requirement for parties that already had approved amounts to make compliance filings with FERC).
LADWP	\$ 8,630,834.00	September 20, 2005 "Order on Compliance and Informational Filings and Procedural Motions," 112 FERC ¶ 61,323 (2005) at P 33.
Pasadena	\$ 593,536.00	September 20, 2005 "Order on Compliance and Informational Filings and Procedural Motions," 112 FERC ¶ 61,323 (2005) at P 33.
Reliant	\$17,182,645.00	September 20, 2005 "Order on Compliance and Informational Filings and Procedural Motions," 112 FERC ¶ 61,323 (2005) at P 40 (recognizing that Reliant was filing its mitigated breakdown for informational purposes only).
Williams	\$17,026,433.00	October 16, 2003 "Order on Rehearing," 105 ¶ 61,066 (2003) at P 153 (findings that emissions costs were only recoverable for mitigated intervals, but not including a requirement for parties that already had approved amounts to make compliance filings with FERC).