



Briefing on Draft 2017 Budget Stakeholder Meeting

Meeting logistics

Stakeholder Call

Date: Thursday, September 29, 2016

Time: 9:30 a.m. – 12:00 p.m.

The following topics were discussed:

- 2017 Proposed Revenue Requirement
 - Operations and Maintenance Budget
 - Debt Service
 - Cash Funded Capital
 - Other Costs and Revenues
 - Operating Cost Reserve Adjustment
- Grid Management Charges
- Key Calendar Dates and Next Steps

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

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Phone Attendees

Name	Organization
Chris Lockman	BPA
Geoff Gong	CDWR
Chloe Lukins	CPUC
Charles Mee	CPUC
Joseph	CPUC
Margaret Miller	Customized Energy Solutions
Brock Costalupes	MID
Gerard Stillwagon	Modesto Irrigation District
Sean Neal	Modesto Irrigation District and City of Santa Clara, California
Mike Whitney	NCPA
Christine Kirsten	PacifiCorp
Cindy Hohendorf	PG&E
Kyle Hoffman	Powerex
Cori Bradley	PWRPA
Robert Mullin	RTO Insider
Cindi Leinenkugel	RVSD
Vic Kruger	SDG&E
Bert Hansen	Southern California Edison
Meg McNaul	Thompson Coburn LLP (Six Cities)
Nicole Lange	TID
Shelly-Ann Maye	TransCanyon
Padmini Palwe	WAPA

Present Attendees

Name	Organization
April Gordon	CAISO
Doreen Fender	CAISO
James Lynn	CAISO
Jan Cogdill	CAISO
Janet Morris	CAISO
Jordan Pinjuv	CAISO
Kim Perez (Facilitator)	CAISO
Mike Kopecky	CAISO
Ryan Seghesio	CAISO
Stephanie O'Guinn	CAISO
Thomas Setliff	CAISO

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Comments/Questions/Suggestions

	Stakeholder	Comment/Question/Suggestion	ISO Respondent	ISO Response
1	Joseph CPUC	Is our transmission volume the same as TAC volume?	Ryan Seghesio	Not exactly, but should be fairly close
2	Joseph CPUC	Are the reduced numbers due to rooftop solar?	Ryan Seghesio	There have been a variety of factors that we have been adjusting for the last several years (i.e. lower pump loads, rooftop solar, and other forms of distributed generation).
3	Sean Neal City of Santa Clara, CA/Silicon Valley Power and the Modesto Irrigation District	What is the reason for the increase of 7 FTEs?	Ryan Seghesio	We have held budgeted head count flat for several years now and even lower than the budget number 4 or 5 years ago. Next year we are allowing a modest increase to relieve some stress points in the organization.
4	Sean Neal City of Santa Clara, CA/Silicon Valley Power and the Modesto Irrigation District	Are the stress points predominantly in Operations?	Ryan Seghesio	No. There are needs across the organization. Not just in one group.
5	Sean Neal City of Santa Clara, CA/Silicon Valley Power and the Modesto Irrigation District	Regarding Transportation & Travel & Training decrease, it seems there would be increase in both due to EIM & Regionalism.	Ryan Seghesio	Computer Based Training (CBT) has been developed for EIM entities which has caused a reduction in training and travel needs. While regionalism efforts has caused an increase in travel costs, other non-essential travel has been reduced due to company-wide efforts to consider all discretionary costs.
6	Charles Mee CPUC	Does transmission volume include EIM entities?	Ryan Seghesio	No. This does not include EIM volume.
7	Charles Mee CPUC	Can you explain the difference between Consultants/Contractors vs Outsourced Contracts?	Ryan Seghesio April Gordon	<p>The Consultants expense type is generally used to capture project related work. The Temporary and Contract Staff expense type is generally used to capture short term, staff augmentation work as well as service related contracts.</p> <p>The Outsourced and Other Contracts expense types are generally used to capture expenses where a third party is contracted to provide data such as forecasting fees and software as a service. The Professional Fees expense</p>

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				type is generally used to capture outside legal and audit fees.
8	Charles Mee CPUC	The number of Consultants/Contractors has been lower in the past? Why has it increased?	Ryan Seghesio	This cost category has actually experienced some decreases over the past several years. It is a variable cost that can fluctuate depending upon the needs of the organization in any given year.
9	Charles Mee CPUC	Do you expect the number of Consultants/Contractors to continue to decrease?	Ryan Seghesio	I really cannot give you an answer because I cannot predict our future needs.
10	Charles Mee CPUC	What's the reason for hiring Contractors rather than FTEs?	Ryan Seghesio	We try to be conscience of spend & FTE expense is one of the largest costs. When there are short-term needs, it makes more sense to hire contractors.
11	Charles Mee CPUC	CRR Auction Bid Fees are \$1/bid?	Ryan Seghesio	Yes. This is a transaction charge per bid.
12	Vic Kruger SDG&E	Why the \$1.3mil adjustment on Actuals vs Budget? Were you short in 2015?	Ryan Seghesio	No, we were not short. We were actually under budget so the \$1.3 million is an offset to the revenue requirement.
13	Vic Kruger SDG&E	Can we get the operating reserve by division to show the areas where you're spending more?	Ryan Seghesio April Gordon	No. We do not calculate the operating reserve credit by division. Actuals vs Budget numbers can be found on the annual financial statement on the CAISO website however this is not by division.
14	Sean Neal City of Santa Clara, CA/Silicon Valley Power and the Modesto Irrigation District	What is the reason for the \$4mil difference in capital collected vs targeted spend?	Ryan Seghesio	The amount collected as part of the revenue requirement is for capital reserves; it has no bearing on what we will spend. The annual amount we target to spend, actually commit, is based on needs and resource constraints. Typically, the annual amount is approximately \$20 million.
15	Sean Neal City of Santa Clara, CA/Silicon Valley Power and the Modesto Irrigation District	Have you seen the questions that we posted online?	Ryan Seghesio	Yes. We have seen them. You will be seeing responses soon.
16	Sean Neal City of Santa Clara, CA/Silicon Valley Power and the Modesto Irrigation District	Is the Cost of Service Study process kickoff coming up?	Ryan Seghesio	Yes. That will happen sometime in Q1 or Q2 of 2017.

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17	Sean Neal City of Santa Clara, CA/Silicon Valley Power and the Modesto Irrigation District	What is the anticipated timeline for the Grid Management Charge (GMC) for Regionalization?	Ryan Seghesio	We do not have a timeline yet.
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