

Summary of 6-8-04 CRR Stakeholder Meeting

Listed below are the topics that were discussed and a summary of those discussions.

Historical Reference Period / Upper Bound:

Long-term CRRs: There will be a separate upper bound for each of the 12 long-term months. We will use the 0.5 % point on the load duration curve for each month (the point near the peak) and scale it by 75%. The HRP will be the year 2003. CDWR and MWD will discuss using 2003 as the HRP and get back to the group with their suggestion. We will have further discussion on how to handle this non-conforming load.

Short-term CRRs: We will use the 0.5 % point on the forecasted load duration curve (the point near the peak) and not do any additional scaling. The forecast period is for the year 2006.

ETC Sink Location

For purposes of the CRR Study we discussed having ETC sink data provided at the locational level. This topic will need to be discussed further to come to agreement.

Who is Eligible to Submit CRR Nomination Requests

There was a lot of discussion on this topic, which provided the ISO with a lot of information on the various nuances to defining eligibility. We touched on the MSS topic as well as the aspects of who has contributed to the embedded cost of the transmission grid. This topic also generated some good debate but will require further discussion.

OTC and Constraints:

This was already stated in the CRR Study 2 Assumptions document, but we discussed again. The CAISO will be working with our transmission planners and operational engineers to develop a set of operating constraints for the study period. We will provide our findings to the CRR stakeholders before they submit their CRR nomination requests.

Four Priorities

For CRR Study 2 the scenarios using the "SCE 4-Priority" approach will have CRR nominations submitted by taking the upper bound, divide by 4, and have equal amounts for each of the four priorities. For example, if an LSE has an upper bound of 100MW then they would have a maximum of 25MW each for priorities one, two, three and four.

Bi-Lateral Contracts

At the end of the meeting I think we all agreed that parties would make their best attempt to determine actual source locations. If different parties use the same source and have requested in aggregate more MW from that source than the rated capacity, the CAISO would inform these parties and have them re-submit. We will need to have more conversations on this particular topic to ensure fairness.

LMP Data

The results of the LMP study, using November 2002 through October 2003 data, should be available towards the end of June or beginning of July 2004. To move the CRR Study 2 process forward there was discussion about using this data to assist LSEs in determining their CRR requests. The LMP study data related to CRR Study 2 (2006 timeframe) will not be available until the October/November 2004 timeframe. We will need more discussion on this topic also.

Next steps:

- Get back to CDWR and MWD to have them propose a method to determine the upper bound for their non-conforming load and then share this with the other stakeholders for their review.

- ISO to start updating the CRR study 2 assumptions document with the information that we all agree to so far.
- Have an additional meeting with CRR Stakeholders to discuss the rest of the topics
- Firm-up the request guidelines and validation rules. Make a distinction, if there is going to be one, between the rules used for CRR Study #2 and the final rules used for the “live” allocation.
- ISO to develop and finish merchant transmission white paper