

2015 GMC Update Draft Tariff Changes
ISO Folsom Facility
August 14, 2014
10:00a.m. – 11:00 a.m.

Attendees:

Name	Organization	Name	Organization
Via Phone:		In Attendance:	
Don Brookhyser	Alcantar & Kahl	Stephanie O'Guinn	CAISO
Deane Burk	CDWR	Judy Sanders	CAISO
David Cohen	Navigant	Jan Cogdill	CAISO
Gina Dixon	SCE	Janet Morris	CAISO
Geoff Gong	CDWR	April Gordon	CAISO
Robert Kargoll	PG&E	Kristine Osborne	CAISO
Christine Kirsten	PacifiCorp		
Manisha Lakhanpal	CPUC		
Tina Lee	Star West Generation		
Edwin Ochoa	City of Vernon		
Padmini Palwe	WAPA		
Mei Pan	City of Anaheim		
Leslie Pompel	BPA		
Jose Vargas	City of Riverside		
Michelle Volk	BPA		
Mike Whitney	NCPA		

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

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#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Response/Views
1.	2015 GMC update - where are the discussion papers posted?	David Cohen	April Gordon Mike Epstein	<p>There were two meetings on the 2015 GMC update. There were three discussion papers with exhibits and slides published for the first meeting and one paper and slides published for the final meeting. Minutes of meetings and stakeholder comments with responses were also published for each meeting. The meeting documents can be located at:</p> <p>http://www.aiso.com/Pages/documentsbygroup.aspx?GroupID=0651AF43-2D3C-4F7B-BAAC-04280B47F8AF</p>
2.	<p>Section 11.22.4 TORs where are the calculations of the 2 numbers?</p> <p>Would it be possible to write that in the FERC cover letter?</p>	David Cohen	Judy Sanders Mike Epstein April Gordon	<p>The calculation of TORs was included in Discussion Paper No. 1 to the 2015 GMC update issued on April 2, 2014 and discussed at the stakeholder meeting held on April 17, 2014. Here is the link:</p> <p>http://www.aiso.com/Pages/documentsbygroup.aspx?GroupID=72F94714-E777-4666-96B5-2948F249F67C</p> <p>The previous TOR rate was developed during the 2012 GMC restructuring stakeholder initiative and was specifically addressed in the Modifications to Straw Proposal discussion paper and meeting held on January 20, 2011. Here is the link:</p> <p>http://www.aiso.com/Pages/documentsbygroup.aspx?GroupID=30c81c85-d4e0-4b0a-a26a-9e7f07e60b43</p>
3.	<p>Section 11.22.4, 5, 6, 7 & 8 Do the invoices include all 8 categories?</p> <p>In the Cost of Service Study, did we have the 8 categories that cover the Revenue Requirements of the GMC?</p>	David Cohen	Judy Sanders Mike Epstein	<p>An invoice can include all eight of these charges if they are applicable.</p> <p>The three charges and five fees were listed in Discussion Paper No. 1 noted above. However, the bid-segment fee, Inter-SC trade fee, SCID fee and CRR auction bid fee were not changed from the charges developed during the 2012 GMC. These charges were discussed under administrative and transaction Fees in the 2012 GMC restructuring - Cost of service straw proposal meeting held on November 10, 2010. Here is the link:</p> <p>http://www.aiso.com/Pages/documentsbygroup.aspx?GroupID=AA68F03C-E0CE-4613-8DF5-D1C7CA3BC79B</p>

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4.	In Appendix F, Schedule 1, Part A there are the 3 categories of charges but no reference to Section 11.22.4, 5, 6, 7 & 8 in Appendix F, Schedule 1, Part A.	David Cohen	Judy Sanders Mike Epstein	The Section 11.22 fees and charges are referred to as a group in Appendix F, Schedule 1, Part A but were not listed individually.
5.	Regarding Appendix F, Schedule 1- What about the EIM charge? How is it taken out? Don't the EIM participants pay and is it credited back to Revenue Requirement? Is there a document that explains how it works?	Dean Burke CDWR	Judy Sanders Mike Epstein	<p>The EIM Administrative Charge is based on the Cost of Service study. As explained in the 2015 GMC Update Final Proposal, it is included in miscellaneous revenue and is a component of the revenue requirement. There is a specific slide showing how the EIM Administrative Charge is included in the revenue requirement and then how the revenue requirement is converted into the rate structure. A link is as follows: http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=CCDD104D-CF7E-4965-9DA7-3114ED7C5822</p> <p>The EIM Administrative Charge was included in miscellaneous revenue in the 2014 budget as well. A link is as follows: http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=B7A7D8B7-80EE-4F6A-A04A-3B9CA6786052</p>
6.	Due to EIM, the 3 year update to the Cost of Service Study may not be frequent enough.	Dean Burke	Judy Sanders Mike Epstein	The proposal to perform the cost of service study on a three year cycle was discussed in detail with stakeholders during the 2015 GMC Update initiative and approved by the ISO Board. An annual cost of service study was not considered during the stakeholder process or presented to the Board. In response to the suggestion that the cost of service study should be done more frequently, the ISO notes the administrative costs and burden of conducting an annual study would far outweigh any benefits because there is very little annual change in the ISO's allocation of resources. Furthermore, the ISO's ability to forecast the EIM's impact on resources is fairly predictable because the EIM charge simply actually provides access to an existing market.

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7.	Appendix F, Schedule 1, Part A reads that the Cost of Service study updates every 3 years with the 2013 update affecting 2015 GMC charges. The 2013 Cost of Service study is used to set the percentages and fees for 2015. Should the new update that will take place in 2016 affect the 2017 rates?	Chris Kirsten	Judy Sanders April Gordon Mike Epstein	The 2016 study will be the basis for rates in 2018. The study uses employee hours and revenue requirement from 2016 and is completed in 2017. If there is a change in the percentages or charges, or it is agreed that one of the fixed fees should change a filing would be made effective for 2018.
8.	Appendix F, Schedule 1, Part C – suggest ordering the bulleted components of the revenue requirement in the same order as described as items (1) - (5). Change bullet reference to Operating Cost Reserve adjustment.	David Cohen	Judy Sanders Mike Epstein	We will make that change.
9.	In Appendix F, Schedule 1, Part D, the ISO is proposing to issue the draft budget book to stakeholders subsequent to the initial submission of the draft budget to the ISO Board. Is it possible to have the budget book disclosed to stakeholders earlier, or alternatively, commit to posting the draft budget book simultaneously when submitted to the ISO Board	Sean Neil	Judy Sanders Mike Epstein	The ISO Board needs to review the budget in executive session before it is released to stakeholders. The Board needs the option to make any revision prior to the budgets release. The budget book is usually published on the ISO website within a week of the Board meeting.

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10.	Appendix F, Schedule 1, Part D - why is the Statement of Operating Reserves deleted from the Tariff language?	Sean Neil David Cohen	Mike Epstein April Gordon	<p>The statement of operating reserves was deleted and from the periodic reporting in 2007. The statement of capital projects has always been included in the periodic reporting. The language just reflects this changed reporting. The periodic financial statements are posted quarterly and also provided for the June stakeholder budget meeting. The periodic financial statements for 2013 and the first quarter of 2014 can be located at: http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=EEEDDD3B-2A83-464F-A58B-9B3BAE76391B</p> <p>There is annual reconciliation of the operating reserve that is provided as an attachment to the preliminary and final board book published for stakeholder use in October and December of each year. The operating reserve reconciliation for the 2014 preliminary budget (Appendix B) can be located at: http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=BD9F9646-E5DA-4C24-A0C5-BBE3BCDCD0B0</p> <p>The operating reserve reconciliation for the 2014 final budget (Appendix B) can be located at: http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=D477AB24-2F69-47C6-BB65-6A8100DFD007</p>