



# Decision on Tariff Proposal to Bill Western Electricity Coordinating Council Reliability Costs

Board of Governors Meeting  
April 18-19, 2007

Presented by: Michael Epstein, Controller

## **CAISO Billing of reliability costs requires a Tariff amendment**

- CAISO currently bills WECC members located in its control area for WECC administrative and Security Coordinator costs
- In July 2006 FERC issued order approving NERC as Electric Reliability Organization (ERO)
  - NERC's budget for ERO/Regional Entity reliability costs was approved by FERC
  - Regional Entities may bill reliability costs to Load Serving Entities (LSEs)
- In October 2006 FERC authorized WECC to bill reliability costs
- In December 2006 WECC requested CAISO to collect reliability costs
- CAISO needs tariff authority to bill for reliability costs

## **CAISO proposes to sign an agreement with WECC and file a Tariff amendment to bill Scheduling Coordinators**

- CAISO will sign collection agreement with WECC
  - CAISO will not be financially liable for any defaults
- CAISO will bill SCs for reliability costs based on Net Energy For Load
  - Metered Demand + Losses – Energy Storage – Station Power
- Billing will be quarterly on a separate invoice
  - Will have a final true-up invoice after invoice is received from WECC
  - Phase-in for 2007 and 2008

## Stakeholder comments were generally supportive

- Results of stakeholder process:
  - WECC requested unpaid invoices be delivered after 30 days
  - ESPs requested that only CAISO annual load data be reported
  - Used metered demand in billing determinant due to availability of data
    - SCE and CDWR requested that generation data be used
    - Generators requested that Load be charged in conformity with FERC
  - PG&E and SCE stated that all load should be billed
  - Williams wanted confirmation that station power will be excluded
  - BP Energy wanted confirmation that real time exports will be excluded
  - ESPs concerned with lag between billing determinant and invoice
    - Will work on issue with WECC and NERC in 2008