

PG&E's Comments on the DRAFT Tariff Language Re:

**Changes to CRR Provisions Due to MRTU Start Delay and Load Migration
Calculation Timing**

September 4, 2008

PG&E provides these comments in response to the [Changes to CRR Provisions Due to MRTU Start Delay and Load Migration Calculation Timing](#) draft tariff revisions issued August 29, 2008.

As indicated in comments filed August 29, 2008, PG&E is concerned that the proposed CRR process is being unduly compromised in order to support a potential, but uncertain February 1, 2009 MRTU go-live deadline, including the suspension of several previously approved tariff requirements dealing with the sequencing of the allocation Tiers and with the implementation of load migration requirements. While this concern still exists, the following comments are limited to the draft tariff language as proposed by the CAISO to effect their proposed changes in these two areas.

A. 36.8.3.5.1 Tier 1 - Priority Nomination Process

For Load-gaining LSE of load that previously belonged to a Load-losing LSE that gone out-of-business and, therefore, the CAISO will manually adjust both the Load Metric and the PNP Eligible Quantities of the load-gaining LSE based on the percentages provided by the Load-losing LSE.

Comment:

The intent of this grammatically improper passage is unclear. If the intent was to capture the adjustments necessary as a result of an LSE ceasing to exist (and as such, the 'deferral' of migration - as planned otherwise, would not be workable), the following suggestions are proposed:

1) The tariff language as written is not clear, the following alternative is recommended. "In the event that an LSE goes out of business prior to the initiation of the Load Migration process under Section 36.8.5, the CAISO will manually adjust both the Load Metric and the PNP Eligible Quantities of the applicable load-gaining LSE(s) based on the percentages provided by the Load-Losing LSE (i.e. the reassignment of load responsibilities from the LSE ceasing business)."

2) This passage is better located within Section 36.8.5 - Load Migration between LSEs. Movement of load and CRRs due to a business closure of an LSE is just another type of load migration event. Further, since the consequences of such an event go beyond just Tier 1 considerations, the new contemplated tariff provisions would better reside under 36.8.5. It is recommended that this added statement be included after the new CAISO additions included under 36.8.5.

Load Migration will be reflected in appropriate adjustments to each affected LSE's Seasonal and Monthly CRR Eligible Quantities in subsequent annual and monthly CRR Allocations, as well as its PNP Eligible Quantities in the next annual CRR Allocation,

except for during the annual and monthly CRR Allocation conducted just before the MRTU Tariff is in effect. In the event that an LSE goes out of business prior to the initiation of the Load Migration process under Section 36.8.5, the CAISO will manually adjust both the Load Metric and the PNP Eligible Quantities of the applicable load-gaining LSE(s) based on the percentages provided by the Load-Losing LSE (i.e. the reassignment of load responsibilities from the LSE ceasing business). LSEs that hold Seasonal CRRs or Long Term CRRS and that lose or gain Load through Load ...

Comment: On September 3, 2008, the CAISO released the Seasonal Eligible Quantities (SEQ) to be used by PG&E in the Tier 1 CRR allocation process, however the SEQs have been explicitly adjusted for "Load Migration" under each Season and Time-Of-Use. It is unclear if this Load Migration is related to the business closure of an LSE, consistent with the issue outlined above, or if the adjustments reflect some other element(s) of Load Migration. Given that the CAISO has proposed to delay the Load Migration process based on concerns with the supporting customer data, it is also unclear to PG&E how such Load Migration quantities were established and validated. PG&E requests some clarification with respect to the current CAISO implementation of this proposed tariff provision.

B. 36.8.3.5.1 Tier 1 - Priority Nomination Process

That is, ~~with the exception of transfers to reflect Load Migration:~~ (i) an LSE or a Qualified OCALSE may nominate in the PNP a CRR it was allocated in the prior annual CRR Allocation even though it transferred that CRR to another party during the year,

Comment:

With the removal of the statement regarding the exceptions to reflect Load Migration, the subsequent provision " ... allocated in the prior annual CRR Allocation even though it transferred that CRR" ... becomes confusing. The following alternative is recommended.

That is (i) an LSE or a Qualified OCALSE may nominate in the PNP a CRR it was allocated in the prior annual CRR Allocation even though it transferred **through the secondary registration process**, that CRR to another party during the year,

For follow-up or questions, please contact Dan Sparks (415-973-4130) or Glenn Goldbeck (415-973-3235).