

**6/28/07 Stakeholder Conference Call:
CRR Draft Final Proposals
on Topics to be Filed in July 2007**

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Topics for July 2007 Filing

- **Transfers of CRRs between LSEs to reflect load migration**
 - Change #1: Proposed resolution of credit requirement for load-losing LSE
 - Change #2: Treatment of load migration from initial CRR allocation to MRTU Go-Live
- **Consistency between LSE load forecasts and RA requirements**
 - Rely on CEC validation, no separate CAISO tracking of load migration
- **Modeling transmission outages for monthly CRR allocation**
 - No change from straw proposal
 - Tariff filing is for modeling of non-significant outages. Definition of “significant” is BPM topic.
- **Early release of Converted Right (CVR) encumbrances, subject to later recall**
 - No change from straw proposal

Load Forecast, & Outage Reporting

- **Need: Consistency in CRR vs. RA forecasts**
 - LSEs provide monthly forecast for CRR allocation
 - CAISO will receive CEC-verified LSEs' loads for RA planning, for validation of LSEs' submissions for CRRs
- **Need: Adequate outage reporting for CRR revenue adequacy**
 - Significant facilities: Facilities rated at or above 200 kV, facilities that are part of defined flow limits, and facilities for which recent outages caused temporary flow limits to be enforced
 - CAISO requires planned outage requests for significant facilities, at least 30 days prior to start of month
 - CRR processes include derates for other outages

Fundamental principle: Transfer of pro-rata share of CRR value, since CRRs are based on service to Load

- **CAISO will obtain data about load migration directly from Direct Access enrollment process of UDCs**
 - Daily data transfer, monthly transfer of CRRs initially
 - For small customers (initially < 1 MW), UDCs provide standard kW/customer
 - For large industrials, CAISO computes load from customer's billing history
- **CAISO will use load migration data to allocate new, offsetting CRRs to load-losing & load-gaining LSEs**
 - Load-gaining LSE gets share of original CRRs, load-losing LSE gets counterflow CRRs that offset original allocation
 - This way, each LSE's transfer is independent of other's obligations. Load-gaining LSE gets its CRRs even if load-losing LSE sold them and doesn't repurchase them.

Issues re CRR Transfer

- **PG&E alternative to pro-rata transfer**
- **Ability of load-gaining LSEs to renew transferred CRRs**
- **Business Process for data exchange**
- **Credit considerations**
 - Load-gaining LSE must sign Candidate CRR Holder agreement and meet credit requirement, then CAISO awards CRRs.
 - Load-losing LSE's credit requirement also changes.
 - Load-losing LSE can face cost of already-sold CRRs, but credit requirements must be reasonable.