

Stakeholder Meeting on CRR Issues

Discussion of Options and Proposals

April 3, 2007

Lake Natoma Inn, Folsom

Recent Review of CRR Issues

- **February 21** **“CRR Issues Paper” posted**
- **February 27** **Stakeholder Meeting**
- **March 9** **Stakeholder written
comments submitted**
- **March 19** **“Updated CRR Issues Paper”
posted**
- **March 20** **“CRR Credit Policy” paper
posted**
- **March 23** **“CRRs for Merchant
Transmission” paper posted**

Recent Review of CRR Issues

(continued)

- **March 26** **Conference Call: Potential CRR Rules Changes**
- **March 27** **Conference call: CRR Credit**
- **March 29** **Conference Call: CRRs for Merchant Transmission**
- **March 30** **CRR Dry Run Report (filed at FERC)**
- **April 3** **Today's stakeholder meeting**

Agenda Review

10:15 AM CRR Allocation Rules

- Trading Hubs as Sources for Allocated CRRs
- Source Verification Rules
- Set-Aside of Import Capacity for Auctions

12:15 PM Lunch (on your own)

1:15 PM (Continued)

- Renewal of Expiring LT-CRR and ETC/CVR

Discussion based on March 19 “UPDATED” CRR Issues Paper”:

<http://www.caiso.com/1ba6/1ba612cfe2cae0.pdf>

Agenda Review

2:00 PM CRR Credit Policy

Discussion based on March 20 “CAISO CRR Credit Requirements”:

<http://www.caiso.com/1ba7/1ba788da74450.pdf>

3:00 PM Methodology for determining CRRs for Merchant Transmission Upgrades:

Discussion based on March 23 paper “Methodology for determining CRRs for Merchant Transmission Upgrades”:

<http://www.caiso.com/1baa/1baab91e536b0.pdf>

Future Dates for Review of CRR Issues

- **April 6** Request for Stakeholder written comments to be submitted to:
CRRComments@caiso.com
- **April 12** (tentative) Stakeholder conference call to review final CAISO policy proposals
- **April 13** Board documents posted
- **April 18-19** Board of Governors meeting

Additional Review of CRR Issues

(continued)

- **CRR issues discussed today that require rule changes will be presented to the CAISO Board in April except:**
 - *CRR Credit Issues will be deferred until the next Board meeting in late May; filing to FERC to follow in early June.*
- **Additional stakeholder discussion in late April to review the numerical value of the CRR credit margin.**

Future Milestones: FERC filings on CRR Issues

May 2: Filing to FERC:

Potential CRR Allocation Rule Changes

- Trading Hubs as sources for allocation
- Source verification rules
- Set-aside of import capacity for auction
- Renewal of expiring LT-CRR and
ETC/CVR

Methodology for Determining CRRs for Merchant Transmission Upgrades

Future Filings related to CRR Issues (cont'd)

Early June Filing

- CRR Credit Policy

August 3 Filing

- Modeling of Transmission Outages in the CRR Network
- Use of Common Forecasts for Monthly CRR eligibility and Monthly Resource Adequacy (RA) Showings
- Frequency of Monthly Allocation and Auction Process
- CRR Transfers due to Load Migration

Q&A for CRR Production Process

1. **When will the CRR rules for allocation be “finalized?”**
2. **When will the CAISO want to receive source and sink data from LSEs participating in the allocation?**
3. **When will the CAISO want historic load data from LSEs participating in the allocation?**
4. **Could the CAISO identify the dates for:**
 - a) **allocation tiers for 2008 CRR's**
 - b) **dates for requesting LTR CRR's**
 - c) **date of 2008 auction.**

Summary of Requests to Stakeholders

- **Submit written comments on today's discussion by April 6 to CRRComments@caiso.com**
- **Tentative stakeholder conference call on April 12. (market notice by Thursday)**
- **CAISO Board meeting on April 18-19 likely will include presentation and approval of CRR-related issues discussed today.**
- **Late April conference call to review CRR Credit issue.**
- **Additional stakeholder meetings May – July on remaining CRR-related issues.**