

# Briefing on GMC under MRTU



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Your Link to Power

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# There are changes possible in the Grid Management Charge rate structure for 2008.



## MRTU related

- Locational Marginal Pricing
- Forward Energy Market

## Non-MRTU related

- Potential accommodation for renewables

**In 2006, stakeholders and the ISO began the process to modify the GMC under MRTU.**

-  Extension of GMC Settlement into 2007 (Spring 2006)**
-  Configuration of GMC under MRTU (Fall 2006)**
  - Retain basic structure (5 charges)**
  - Modify bill determinants (7 charges)**
  - Add new charges, as necessary (3 charges)**
  - Eliminate certain charges (2 charges)**

**There are two issues to be addressed in the next phase of the GMC process.**

- **Further extension of GMC Settlement (into 2008)**
  - **Termination on earlier of MRTU implementation or “date certain”**
- **Formula underlying calculation of rates**
  - **Allocation of costs by ISO function**
  - **Mapping to rates**
    - **Consideration of bill impacts**
    - **Potential mitigation of those impacts**

# The ISO is working with stakeholders to resolve the remaining issues.

## April 2007

- Status report/next steps

## May 2007

- Cost of service study
- Data availability/confidentiality

## June-July 2007

- Impact analysis
- Final rate structure

**We will work with stakeholders to overcome the challenges in completing the process.**

- Compressed timeline**
- Potential for new issues**
- Linkage to future budget outlook (revenue requirement “trigger”)**
- Waiver of maximum 120 day filing requirement**

**Management will present a proposal on the GMC under MRTU to the Board at the July meeting.**

 **Board decision on:**

- **Further extension of GMC Settlement**
- **GMC under MRTU rate structure**
  - **Charge Code structure**
  - **Cost allocation formula underlying rates**