



Attachment A

Stakeholder Process and Open Issues

GMC Under MRTU
December 4, 2007

Stakeholder Process to Date

Activity	Date	Number of Stakeholder Representatives	Location of Documents
Stakeholder meeting, held with CAISO Budget meeting	9/14/2006	16 onsite, 9 lines	http://www.caiso.com/185a/185ab8b91b5f0.html
Conference call	10/6/2006	11 lines	http://www.caiso.com/187d/187dcf7553440.html
Stakeholder meeting	10/17/2006	18 onsite, 18 lines	http://www.caiso.com/187d/187dd07055cf0.html
Conference call	10/31/2006	35 lines	http://www.caiso.com/1893/1893d9a7170e0.html
Conference call	11/15/2007	27 lines	http://www.caiso.com/18a2/18a2e996683f0.html
Conference call	4/30/2007	58 lines	http://www.caiso.com/1bc6/1bc6c29617a60.html
Conference call	5/31/2007	39 lines	http://www.caiso.com/1be7/1be780b3250a0.html
Stakeholder meeting, held with CAISO Initial Budget meeting	6/12/2007	9 onsite, 16 lines	http://www.caiso.com/1bdf/1bdfd15822620.html
Conference call	6/25/2007	33 lines	http://www.caiso.com/1bfd/1bfda87c346a0.html
Conference call	7/20/2007	44 lines	http://www.caiso.com/1c18/1c1899de9e00.html
Conference call	8/30/2007	40 lines	http://www.caiso.com/1c2f/1c2fe2fc17e00.html
Conference call, held with CAISO initial stakeholder budget review	9/14/2007	23 lines	http://www.caiso.com/1c42/1c42b1c23f4f0.html
Stakeholder meeting, held with CAISO Stakeholder Budget Day Workshop	9/18/2007	11 onsite, 16 lines	http://www.caiso.com/1c57/1c579b2145e00.html
Conference call	10/2/2007	33 lines	http://www.caiso.com/1c63/1c63b4235f40.html
Conference call	10/16/2007	29 lines	http://www.caiso.com/1c6d/1c6d98ca62ca0.html
Conference call	11/1/2007	33 lines	http://www.caiso.com/1c7a/1c7a8f681700.html
Conference call	11/30/2007	TBD	http://www.caiso.com/1c8a/1c8abe9be830.html
Note: Number of lines counts the number of connections on the conference call. More than one person may be on each connection.			



Other Activity

Activity	Date	Comment
Presentation to MSC	2/13/2007	Documents located on CAISO website at: http://caiso.com/1b7f/1b7fc66118e40.pdf
Board Briefing	5/30/2007, 9/6/2007	
Board decision on extension of GMC Settlement	10/17/2007	Extension filed as ER08-135-000
One-on-one discussions		Ongoing throughout process

Comment/Issue	Other parties positions on proposal/issue	Management response
<p>PG&E, CalWEA:</p> <p>Support revised CAISO MRTU GMC rate proposal</p>		
<p>Modesto Irrigation District:</p> <p>Finds proposed application of GMC to TOR exports to be acceptable.</p>		
<p>CDWR-SWP:</p> <p>The current GMC exempts ETC load from paying Congestion Management costs. A continuation of that exemption for the costs of congestion management in the Energy Transmission Services charge would continue the policy of honoring ETC customers by exempting ETC loads from paying extra cost other than paying contract cost for the transmission service.</p>	<p>PG&E opposes CDWR-SWP suggestion.</p>	<p>The current exemption for ETC flows from Congestion Management costs will not be extended into MRTU. However, under MRTU, interzonal congestion management will no longer exist. CDWR refers to the existence of congestion management costs in Energy Transmission Services. The service offered in Energy Transmission Services is for the monitoring and Real Time dispatching of resources to mitigate congestion, not the Day-Ahead management of congestion through the use of adjustment pricing. The cost of managing congestion Day-Ahead will reside in Market Usage. To the extent that CDWR does not bid into the Day-Ahead Market (or provides balanced self-schedules), CDWR will not be subject to the cost of managing congestion Day-Ahead. However, to the extent that the CAISO must monitor and redispatch resources to mitigate congestion, CDWR's ETC load has been and will continue to be subject to ETS.</p>

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<p>CDWR-SWP:</p> <p>FERC Order No. 672 exempts pumping load for storage purposes for assessment of the costs of Electricity Reliability Organizations (ERO). The CAISO's Core Reliability Services are reliability related and are comparable to the ERO costs. Therefore an exemption from Core Reliability Services costs for pumping load for storage purposes is required by Order No. 672.</p>	<p>PG&E opposes CDWR-SWP suggestion.</p>	<p>After a review of FERC Order No. 672, Management does not find support for CDWR's contention that pumping load for storage purposes is exempt from the CAISO's Core Reliability Services costs. The Order references only the recovery of the costs of Energy Reliability Organizations, and not to reliability related costs of ISO/RTOs. The CAISO cannot agree to CDWR-SWP proposal without clarification from the FERC as to the applicability of Order No. 672 to ISO/RTO reliability costs.</p>
<p>CDWR-SWP:</p> <p>SWP requested that the CAISO consider a SC's UFE as part of its Load, and any charges that apply to Load should include UFE in the bill determinant.</p>		<p>The appropriate measure for recovery of GMC rates is Metered Control Area Load, as defined by the Tariff, without inclusion of UFE. UFE exists for a number of reasons, including estimation errors that are not the responsibility of any one SC. In addition, extensive stakeholder discussions were held in 2003 leading to the current definition of Metered Control Area Load. Implementing this change would shift the burden of GMC and likely be contentious. Therefore, Management does not support the change that CDWR-SWP is seeking.</p>
<p>SDG&E:</p> <p>SDG&E agrees that a distinct charge for TOR Energy is appropriate. However, SDG&E does not agree with the billing determinant chosen by the CAISO. SDG&E supports use of a fixed billing determinant, such as the maximum fixed contract capacity. If the CAISO chooses to use export MWs as the billing determinant, then it would be appropriate to net counter-flows.</p>		<p>A volumetric charge on export MWs is consistent with the way in which all other exports are treated. Other TOR holders affected by the new TOR rate support the volumetric charge. On SDG&E's second point, all TOR flows should be assessed and not netted by counter-flows. The nature of the services provided is not reduced by counter-flows, which could lead to a zero charge if the counter-flows are perfectly matched. The SDG&E proposal would have the effect of limiting their GMC exposure, while potentially shifting the burden to other parties.</p>