

Decision on Grid Management Charge Settlement Under MRTU



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California ISO
Your Link to Power

Board of Governors Meeting
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GMC Stakeholder Process

- 🌐 Goal: achieve consensus on issues
- 🌐 First phase – September – December 2006
 - Identified potential bill determinants
 - Agreed on need for updated cost of service study
 - Agreed to discuss rate design issues in 2007
- 🌐 Second phase April - December 2007
 - Completed cost of service study
 - Developed alternative rate scenarios with bill impacts
- 🌐 Final comments were due November 27

Significant Changes from Current GMC

MRTU Related:

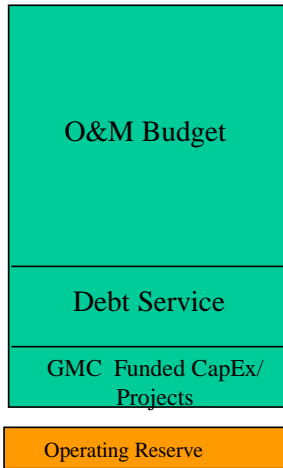
- Congestion Management rate eliminated
- Charge for Day-Ahead Market use
- Revised definitions of billing determinants

Two new charges to address:

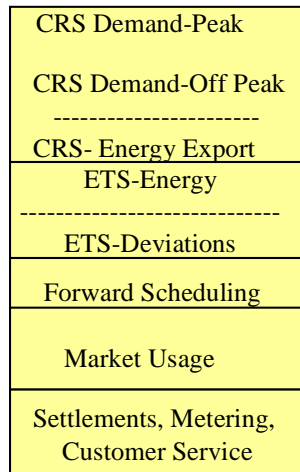
- Transmission Ownership Rights
- Monthly netting of deviations for Participating Intermittent Resources Program

Cost of Service/Rate Design Process and Results

Revenue Requirement



Costs of ISO Services



Unbundled Rates

$$\left\{ \frac{\text{Category Costs}}{\text{Billing Determinant Volume}} = \$/\text{Unit} \right.$$

Stakeholder Support for CAISO Proposal

- Support with no changes
 - PG&E
 - CalWEA
- Finds Transmission Ownership Rights rate acceptable, raises no issues about other aspects of proposed rate structure
 - Modesto Irrigation District
- Issues
 - CDWR-SWP
 - SDG&E

Stakeholder Suggested Modifications

CDWR

- Exemption for ETCs from a portion of costs related to congestion management
- Exemption for pumping load for storage purposes from a component of the GMC (the core reliability services charge)
- Inclusion of unaccounted for energy (UFE) in calculation of Metered Load for purposes of assessing GMC

SDG&E

- TOR rate should be based on contract capacity, not volumetric

Conclusion and Next Steps

- 🌐 Changes necessary for MRTU and responsive to needs of specific customer classes
- 🌐 Complete testimony and filing package
- 🌐 File GMC Rate Structure along with MRTU clean-up filing
- 🌐 Complete implementation in systems