



**GMC Unbundling Steering Committee
Meeting Agenda
August 2, 2000
10:00 a.m. – 2:00 p.m. in 101A-1a & 1b**

- | | |
|-------------------------|----------------------------|
| 10:00 a.m. – 11:00 p.m. | Draft Tariff |
| 11:00 p.m. – 12:00 p.m. | QF issues |
| 12:00 p.m. – 12:30 p.m. | Lunch |
| 12:30 p.m. – 1:30 p.m. | Muni Issues |
| 1:30 p.m. – 2:00 p.m. | Overview of Budget Process |

Open discussions of any additional comments are welcome

**GMC Unbundling Steering
Committee Meeting
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Sign-in Sheet

Jerry Green - Department of Water	Dept. of Water
Linda Sherriff - Alcantara + Ellesser	Alcantara + Ellesser
Brij Basha - PG+E	PG+E
Maia Smith - PG+E	PG+E
David Cahed Muni	Muni
Ed Duncan - SEMPRE	Sempre
Michelle Wagnere	MZA
Bob Hanson	SCE
Ray Verrill	PG+E
Mike Gustin	ISO
Mike Peterson	ISO
Deanna Nelson	ISO
Randy Smith	ISO
Beth Ann Burns	ISO
Spence Barber	ISO
Allan Jaseke	ISO
Brian Jobson	SMUD
Phil Leiber	ISO
Carolyn Kehrein	Board

GMC UNBUNDLING

Steering Committee Meeting

- August 2, 2000 -



DRAFT TARIFF

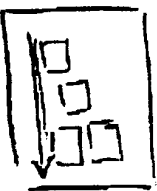
Feedback by the 11th 11

Q: Possible to see jobs within brackets?

→ They're determined by annual budget - not addressed by tariff - tariff language doesn't specify methodology

Q: Would need to provide cost of service to justify unbundling...

→ Timetable means it's will need to be added in November - initial filing must be in Sept.



Budgeting Process

Will spend prior & following years...

Q: What's the process at FCC where we could complain?

→ Annual opportunity.

o Will be establishing new unbundling factors this month

o An explanation about the competition jobs being too high?

- Haven't asked MFRs to make any adjustments
- Won't establish less costs to that bucket

o Surprised to see the \$5 so low...

o Release in laws letter to FCC? (and any response?)

o Look out for annual filing in tariff

o Bill written as fronts - details will have to be worked out (late Oct...)

Q: Can you do both high-level & drill-down of budget workshop?

→ We'll give you more info then in the report

o Have left to see cost savings from creating reserves (need to see the detail)

o Savings exist a given (need for capital investment).
o Operating reserve visible - reported to board.

o Budget will be 80% expanded process.

Helping Finance (and the firm)?

- Trying to delay to stretch with Fed - thing



use of ca. 9c
→ 10 Budget Workshop
Hq.

The score (as can cost workshop data, the better!! (see data))

Let's this a policy determination?

o Yes - Board decides

11

Q Does FEBC know about the budgeting process - can they determine "wrong revenue requirement"?

- Budget process will be included

■ Still don't see how FEBC will be able to evaluate revenue req.

Q When does rev. req. get filed or raised?

Dec 15th... the opt. to object - a detailed processing that anyone can introduce in.

Q Haven't had experience w/ rev. req. set by a formula...

→ You can challenge revenue at US proceeding req. on Dec 15th

Pos aren't part of the tariff formula.

Tariff quotas for 3 tickets & billing determinants -



Continuing like Unbundling Steering Committee helps to review going forward



Maybe they the isn't the last date for comments

These TX to get comments in - if will help us get things work.

Driven by Board timing

Q If you miss collect, is adjustment covered in Tariff?

By component - quarterly & annual adjustments

If the new Board isn't constituted by Nov 31, it will be a "middle" Board (old & new members).

Q Frequency of financial reports mentioned in tariff?

■ Well specify "not less than quarterly"

○ For FEBC, there will be a need to see the process (budgeting) - not just the Y's.
 ■ We'll need to provide the context & back-up.

MONI ISSUES

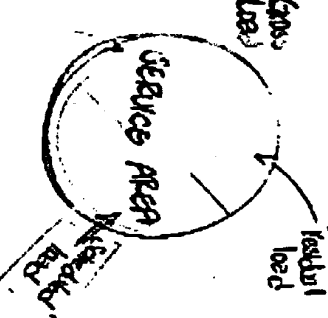
Power flow terminology...

- Needs to be revised to reflect what engineers does now.

offices some support for paying one of the buckets on gross load - with contracts (like loads will need to pay?)

Bill directly - no cross charges
 - Minis have multiple points of contact for load reporting...

- Need to be concerned with the possibility of double counting.



Voluntary assessment a major issue here.

Bill it altogether - single copy - route through the

Thought you were going to try to develop good for today...
 - We were able to catch some info...

We can't get around the issue of WHO PAYS

UDs don't want to pay an estimated bill

Billies between UDAs & load behind the meter (vision meters!!)

The load is known, but not being disclosed.

Give charged on estimated gross load...

Free may not support billing an estimate.



It people that appear will need to be involved.

Needs sense to install meters - all
 - If you are going to use estimates, use alternative # 2.

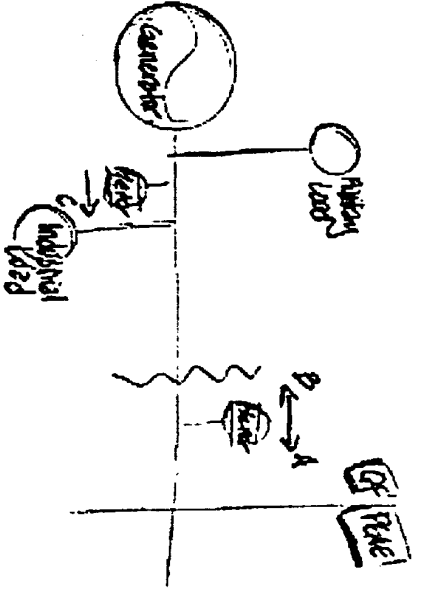
Need to come up a way that changes for what you can measure

- focus on billing determinants.

SHUD willing to support the control files - not the whole paradigm shift.

Edison doesn't have both meters.
 - Supply scope to let existing here

For CAISO, only AXLed would be needed - everything else is gross load
 - Can't support open file - the better



MONI ISSUES

continued...



MAN writes will need to be updated

DATA needs to be captured (one case)

QTS know load AT goal forecast - not routine query

Wife willing to do spreadsheets personally in the morning if nec.

Research will say - will result in computers will be query. MAKE IT CLEAR AT MUIF

ok to know if there are QTS No. lead side meters

If they don't have them, who will test them?

If QTS have to, we need to be compensated in a way

Almost NO QTS have a remote audit by internet

facts no REC available for this at present.

We publish the price but not the revenues.

INTERVIEW SESSION

Can SHUD provide us w/ QTS info?

I believe we have very few QTS (none...)

We need ALL your comments by Aug. 11th

on the proposals as well as the tariff language. We also need complete lists of QTS (if we don't have them already) - Any queries for you don't own.

Also a list of meters (per Craig's drawing)

The lead data that shows up when the generator trips -

Would provide aggregate data under a confidentiality agreement. Can we get it on an aggregate basis!

Need the correct % for each QTS

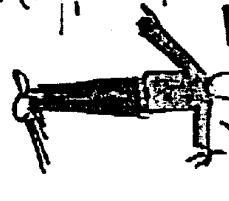
On alternative # 2 - assume some % of generation if load behind the meter. Give us your estimate & we'll use that.

Our standby costs are by individual QTS

Just like your standby rate

For Muis - need to hear what Muis is going to need as alternatives

Brief definitions don't seem to delineate CRITERIA for determining which bucket - We'll add this info!



Press give us your address!

Send all a spreadsheet to connect to computer in request

Don't legally provide this!

Next Meeting... 21st August...

10:21

GMC Unbundling Committee Meeting August 2, 2000
QF Gross Load

- 3 alternatives to obtaining QF Gross Loads

Alternative 1 - QFs provide metered load information

The participants have stated that this data and equipment to obtain it is either unavailable or the participants are unwilling to provide it.

Alternative 2 - Proxy QF load by individual site

Attached is listing of QFs by IOU that is posted on their Websites. The ISO needs the resource ID for each unit. The ISO needs the same data for QFs in the Muni service areas.

This method requires that an estimate be made of the percentage of load served by each QF. The capacity x 8760 x percentage would approximate the load served by the unit. This proxy would be modified on an annual basis until actual data could be provided. The listing would be broken down by SC and represent a fixed monthly billing.

Alternative 3 - Proxy QF load on an aggregate basis

The IOUs provide aggregate QF data that is also reported elsewhere. The ISO would also need aggregate data for other service areas.

This method requires that an estimate be made of the percentage of load served in the aggregate. This percentage may be extrapolated from the energy provided under standby rates and for which aggregate data may be available. The capacity x 8760 x percentage would approximate the load served by the unit. This proxy would be modified on an annual basis until actual data could be provided. The listing would be broken down by SC and represent a fixed monthly billing. An option would be to break it down by UDC and let the UDC pass it through its standby rates.

Attachments:

IQF data form IOU Websites.

GMC Unbundling Committee Meeting August 2, 2000

Revised Muni Gross Load Discussion Items

Discussion

ISO Settlements presently requires schedules, and metered values to calculate most Settlements charges. The ISO settles with the respective Scheduling Coordinator (SC) for both Market related charges and the GMC charge.

Virtually all Control Area load is scheduled by certified SCs. SCs submit hourly power flow schedules via the ISO's Scheduling Infrastructure and System Applications (SI/SA) systems, inclusive of Municipal Utility (Muni) loads. These schedules include Municipal loads served from Non-ISO grid transmission (i.e. COTP) and loads served by the Muni's own internal generation resources. The sum of ISO grid load, Non-ISO grid served Muni load and QF load constitutes Gross Load.

Gross Muni load is typically scheduled by either the Muni itself as a Certified SC with the ISO, or by an Responsible Participating Transmission Owner (RPTO), serving as SC on behalf of a Muni with which it has a pre-existing Existing Transmission Contract (ETC) or interconnection agreement (IA), for Muni power flows which use the ISO grid. Since several Munis import virtually all their energy, the interface meter with the ISO grid is a "gross" load meter. Other Muni's have multiple sources of power: ETC via ISO grid, Non-ISO grid imports and perhaps, their own internal generation.

To the extent that a Muni's internal service area load is also served by it's own internal generation or by imported power delivered across the Non-ISO grid, these power flows are also scheduled by a certified SC, which subsequently submits "deemed delivered" metered actuals equivalent to the final hourly power schedule, for settlement purposes. Any real time imbalance energy is settled using a Logical meter at one of the points of delivery of power to the Muni Service Area or "bubble". These respective deemed delivered and Logical meter reads are the basis for application of the GMC charge.

In aggregate, the IA / ETC power deliveries, along with the internal generation, ISO grid power, and Non-ISO grid power flows equate to "Gross" load.

Definitions (not technically correct)

- Gross Load is total load in UDC service area
- ETC load is that portion of load scheduled using existing contract transmission rights by an SC
- NFU load is the New Firm Use load scheduled by an existing SC
- Residual load is the remaining internal UDC load that is served by that Muni

that does not use the ISO Grid, but is within the ISO Control Area (i.e. Internal Muni generation serving Muni UDC load or imported power using Non-ISO grid).

Proposals to Bill Muni Gross Load

Alternative 1 – Use existing ISO Scheduling, Metering, and Settlement systems.

GMC associated with SC scheduled Municipal load, is invoiced to the respective SC, which schedules each component of the Munis Gross Load. The ISO would bill the responsible SC for GMC associated with the metered load. The SC might be the actual Muni or the SC would pass that cost on to the respective Municipal Utility.

Example: PG&E disaggregates the COTP data by Muni. The ISO sends the billing to PG&E and PG&E bills and collects from the respective Munis.

Alternative 2 – Use existing ISO Scheduling, Metering, and Settlement systems for GMC associated with SC scheduled, ISO Grid served ETC muni load.

GMC associated with SC scheduled Municipal Non-ISO Grid load would be invoiced directly to the respective Municipal UDC, bypassing the SC which scheduled the Muni Load, but relies upon Municipal specific data from the scheduling SC.

Example; PG&E schedules Muni Non-ISO Grid loads using COTP SCID. PG&E disaggregates the COTP data by Muni. The ISO uses the data to bill and collect directly from each Muni.

Alternative 3 – Use existing ISO Systems only for SC scheduled ETC ISO Grid loads.

Municipal Utilities to send end of month report, declaring gross municipal UDC Load, less ETC served load (GMC billed to ETC SC), as determinate for balance of GMC to be billed directly to Municipal utility

The Munis reconcile their loads with that already reported to the ISO and submit actual residual load data on a monthly basis. The source of the data will be of a quality that is auditable. The billing and settlements is either with the Muni as a SC or as a business associate. The residual load data does not have to be in any different quality than already maintained by the Muni. The data should however be auditable

Alternative 4 – Use a proxy of Muni residual load, if no other information is available.

If no information is provided for the residual load for a Municipal load, a proxy value, created by the ISO, will be used in place of the end of month report (described in Alternative 3). This proxy would represent the gross Muni load, less ETC served load, and would be used as the determinate for the balance of GMC billed directly to the Muni as a SC or a business associate.