



PIRP Initiative

Briefing on ISO Proposal to Board For PIRP Exports

**Conference Call
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Objective

- Address principle concern regarding PIRP exports:
 - ISO load currently faces exposure to future costs associated with PIRP exports
 - ISO load pays costs, but does not directly receive all the benefits from PIRP exports because some Energy is exported
 - PIRP is expected to significantly grow in size over time, particularly out in the years 2008 and 2009



Proposed Action

- Board approves a Resolution that:
 - Recognizes that PIRP exports is a concern that needs to be addressed, but elects to not address the issue now to prevent impacts to MRTU project
 - Directs ISO staff to:
 - Conduct a stakeholder process to design appropriate and comparable rate treatment for PIRP exports relative to other CAISO exporters.
 - Provide the Board, at a subsequent meeting, with the revised policy/tariff changes for their consideration and approval.



Elements of Proposal

- “PIRP export” is Energy from a PIRP facility that leaves the ISO control area
- Issue market notice after Board decision to put market on notice now that PIRP exports may not receive the same cost treatment after MRTU is implemented
- **Desired result:**
 - PIRP facilities which engage in exporting energy outside the CAISO central area are treated on a comparable basis with other non-PIRP exporters.
 - An appropriate exemption is established for PIRP facilities operating under existing contracts.