

2013 Grid Management Charge & Budget
ISO Folsom Facility
June 21, 2012
10:00a.m. – 2:00 p.m.

Attendees:

Name	Organization	Name	Organization
Via Phone:			
Cori Bradley	RBI	Holly Liu	Pacific Gas & Electric
Don Brookhyser	CAC	Eric Leutze	GenOn Energy
Bob Caracristi	CNPA	Caroline Pan	Southern California Edison
Larissa Chan	Southern California Edison	John Perry	TID
Mihai Cosman	California Public Utilities	Leslie Pompel	Bonneville Power
Carl Funke	San Diego Gas & Electric	John Priddy	SRP
Steve Greenleaf	JP Morgan	J T Thai	California ISO
Kyle Hoffman	Power Ex	Gamesh Thantry	Tenaska
Gifford Jung	Power Ex	Mari Turner	Pacific Gas & Electric
Bob Kargoll	Pacific Gas & Electric	Rachelle Vollk	Bonneville Power
Elden Krause	City of Anaheim	Mike Whitney	Northern California Power
Maury Kruth	FERC	Heather Wilson	SMUD
Cindi Leinenkugel	City of Riverside		
Present:			
Christina Ernandes	CAISO	Brenda Thomas	CAISO
April Gordon	CAISO	David Cohen	Navigant
Mike Epstein	CAISO	Sean Neil	MID
Charles Snay	CAISO	Liz Lynn	WAPA
Denise Walsh	CAISO	Steven Greenlee	CAISO
Ryan Seghesio	CAISO	Janet Morris	CAISO
Jan Cogdill	CAISO	Mercy Parker-Helget	CAISO

2013 Budget – Initial Stakeholder Meeting

Questions or comments about the GMC should be directed to: GMC@caiso.com

The following topics were covered:

- 2012-2016 Strategic Plan
- Managing Employee Compensation
- 2013 Budget Process & GMC Rate Outlooks
- 2012-2013 Project Release Plans
- 2011 & 2012 Project Summaries
- 2011 & 2012 YTD Financial Summary
- 2012 GMC Rate Changes
- 2013 Budget Calendar

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1.	Of the 9,000 MW of renewables, how many are AGC?	David Cohen	Steve Greenlee	None are AGC
2.	Regarding the corporate initiatives, are they categorized now that individuals are linked to a specific strategy? Are there any overlaps between strategies?	Sean Neil	Steve Greenlee Janet Morris	There could be possible overlap as they need to be addressed individually instead of as a whole We have nine strategic initiatives and there are projects within each one. Each project ties back to the nine initiatives
3.	With the new strategic plan, is there a new ISO org chart?	David Cohen	Ryan Seghesio	No, there is no re-organization as we are just trying to make it easier to understand. There is no change to the current org chart and the org chart is an internal document only.
4.	Regarding the merit adjustment and the stretch goal – is that a subset or an addition?	David Cohen	Brenda Thomas	Stretch is above and beyond. It is in addition to.

2013 Budget – Initial Stakeholder Meeting

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
5.	Do the salaries differentiate between merit and base salary?	David Cohen	Brenda Thomas	Some do, but it's primarily base salary. If the data is not available, we will research it.
6.	Are salaries a line item in the financials so the board can understand how much of the budget is salaries and benefits?	David Cohen	Mike Epstein	The numbers are in the budget book. We will review the pages and provide this information at the next meeting.
7.	Has the ISO provided any cost assessment for implementing new systems (software)?	David Cohen	Janet Morris	The ISO publishes the budgets for each of the projects. The policy initiatives would be there. Also, we provide our impact analysis (what the system changes are, business process changes, etc.).
9.	Intertie pricing for Convergence Bidding is at the ties, correct?	Liz Lynn	Janet Morris	Yes, that is correct.
10.	The Iron Point building - \$20M of debt, budget is \$160M, but actual costs are complete, so now you are \$14.7M less than budget. Did you retire some of the debt?	David Cohen	Mike Epstein	\$40M of the \$200M is for debt service reserve and the \$14.7M will be spent on market and grid software.
11.	In 2011 the ISO had two rate adjustments. Is the operating revenue reflected in the budget for 2012?	David Cohen	Mike Epstein	The actual results reflect the two rate adjustments. The budget does not change.
12.	Does the ISO have ability to make or not make a rate adjustment?	David Cohen	Charles Snay	No. The tariff states that if it exceeds 2% or \$1M, the ISO must make the rate adjustment.