

Memorandum

To: CAISO Board of Governors

From: Anthony Ivancovich, Assistant General Counsel
Sidney Davies, Assistant General Counsel

Date: March 1, 2007

Re: Regulatory Update

This is an update of key regulatory activities and requires no Board action.

FERC Matters and Related Decisions of the Court of Appeals

Market Redesign and Technology Upgrade (MRTU) tariff docket (ER06-615)

The CAISO made several filings in the MRTU docket since the prior regulatory report—three related to “seams” issues and three related to two prior compliance filings.

- **Comments following FERC’s December 14-15 Technical Conference on Seams.** The CAISO filed comments on January 16, 2007 emphasizing that no party had demonstrated the existence of any seams issue attributable to the implementation of MRTU that would justify an implementation delay. The January 16, 2007 comments also responded to claims made by the Control Area Coalition that raise concerns that the CAISO’s locational marginal pricing market design could caused “loop flow” problems in neighboring control areas. The CAISO explained that there was no basis for this assertion and that existing Western Coordinating Council (WECC) reliability procedures are in place and will continue to be in place to address loop flow problems under any circumstances. The January 16, 2007 comments also indicates the CAISO’s dedication to work with the WECC and neighboring control areas, as appropriate, to address the longer-term resolution of seams issues that predate MRTU. The CAISO filed reply comments on January 31, 2007 echoing the same themes in response to other parties’ January 16 comments.
- **Quarterly Seams Report.** The September 21 MRTU Order required parties interested in resolving seams issues to jointly report on progress 30-days following the end of each quarter. Accordingly, the CAISO filed a quarterly seams report on January 30, 2007. The most prominent activity in the fourth quarter of 2006 was the December 14-15 technical conference—indeed several meetings with neighboring control areas were rescheduled to early 2007 due to the conference. The quarterly seams report included jointly agreed to status report of the CAISO and WestConnect and a summary of WECC fourth quarter seams activity reviewed by and personally agreed with by Mr. Jerry Smith, Chair of the WECC Seams Issues Subcommittee. The report also discussed the CAISO’s efforts to develop joint reports of its meetings with other control areas in the fourth quarter, including meetings with PacifiCorp, Bonneville Power Administration and the Imperial Irrigation District. The CAISO intends to finalize these joint reports and submit a supplemental quarterly report in the near future.

- **Answers to Comments on November and December Compliance Filings.** On January 16, the CAISO filed an answer to the comments and protests filed by other parties in response to the CAISO's November 20, 2007 compliance filing. The November 20 compliance filing responded to well over 100 compliance directives. Issues drawing the most attention of parties include: (1) availability of the Full Network Model prior to implementation of MRTU; (2) issues relating to Existing Transmission Contracts rights; (3) issues relating to Transmission Ownership Rights; and (4) Resource Adequacy issues. On January 25, 2007, the CAISO responded to answers and protests of parties in response to the CAISO's December 20, 2007 compliance filing, which addressed aspects of the CAISO's market power mitigation policies and treatment of interruptible imports. The CAISO's January 16 and January 25 answers respond by offering further justification of the CAISO's positions or, in some cases, offering further modifications consistent with FERC directives in the September 21 MRTU Order and/or policies approved by the CAISO Board of Governors. On February 20, 2007, the CAISO filed an answer to further reply comments filed by Powerex concerning the priority of interruptible imports under MRTU offering further justification for the priorities set forth in the MRTU tariff while noting the Powerex's suggestions can be considered for future releases.

Responsible Attorneys: Sidney Davies and Anna McKenna

Long-Term Firm Transmission Rights (Order Nos. 681 and 681-A)

On January 29, 2007, the CAISO submitted to the Federal Energy Regulatory Commission's (FERC or Commission) a filing requesting authority to provide long-term firm transmission rights at the start of its Market Redesign and Technology Upgrade (MRTU) in compliance with the Commission's Final Rule regarding Long-Term Firm Transmission Rights in Organized Electricity Markets. The long-term firm transmission rights proposed by the CAISO (referred to as "Long-Term Congestion Revenue Rights" (Long Term CRRs) under MRTU), satisfy the requirements set forth in FERC's Final Rule as follows:

- (1) Long Term CRRs specify a source, sink and quantity. **(Guideline 1).**
- (2) Long Term CRRs will not be modified during their term and will be fully funded. Once allocated, Long Term CRRs will be modeled as a fixed injections and withdrawals on the DC full network model in subsequent allocation and auction processes. In addition, the CAISO will ensure the continued feasibility or stability in the amount of an allocated Long Term CRR through its transmission planning process **(Guideline 2).**
- (3) The CAISO will make CRRs available for upgrades or expansions to a party that pays for such upgrades or expansions **(Guideline 3).**
- (4) Long Term CRRs will have a term of 10 years. In addition, Long Term CRRs will be allocated to load serving entities that serve load up to 50 percent of their Adjusted Load Metric, which is sufficient to meet the reasonable needs of such load serving entities **(Guideline 4).**
- (5) Long Term CRRs will be allocated only to load serving entities and therefore the preference for load serving entities over non-load serving entities required in the Final Rule is inherent in the proposal **(Guideline 5).**
- (6) Long Term CRRs are fully re-assignable in cases of load migration **(Guideline 6).**

- (7) Entities eligible to nominate and receive Long Term CRRs need not participate in an auction to receive them (**Guideline 7**).

The proposal was developed through a robust stakeholder process and responds to many concerns raised by market participants throughout the design period. Building on the flexibility afforded to parties in Order Nos. 681 and 681-A, the proposal is well tailored and balanced to meet the regional needs of market participants in California. Finally, the proposal makes it possible for the CAISO to make available a fully developed allocation of Long Term CRRs to be effective at the start of the CAISO's MRTU.

Responsible Attorney: Anna McKenna

Petition For Declaratory Order re Transmission Financing (EL07-33)

On January 25, 2007, the CAISO filed a Petition for Declaratory Order requesting that FERC grant general conceptual approval for a new rate mechanism that would facilitate the financing and development of transmission facilities designed to connect renewable resources to the grid and provide any additional guidance regarding the eligibility criteria that should apply for the financing mechanism. Specifically, the CAISO proposes to establish a new category of transmission facilities – Multi-User Resource Trunklines -- that would be eligible for alternative rate treatment that would initially allow the costs of the trunkline to be rolled-into transmission rates. Then, as generation resources connect to the trunkline, the costs of the trunkline capacity required by those resources would be recovered from such resources, thereby reducing the costs of the Multi-User Resource Trunkline that are included in transmission rates. When all of the capacity of the Multi-User Resource Trunkline is utilized and paid for by generators, transmission ratepayers would no longer face any cost responsibility for such facilities. The proposal will remove barriers that exist to the connection of large amounts of renewable resources to the grid and provide access to renewable supplies that Load Serving Entities need in order to comply with State-mandated Renewable Portfolio Standards requirements.

Responsible Attorney: Anthony Ivancovich

Amendment 60—Must-Offer Obligation (ER04-835)

The CAISO filed a request for rehearing and clarification in response to FERC's Opinion No. 492, which generally adopted the Administrative Law Judge's Initial Decision on issues set for hearing, which were largely limited to how costs incurred by generators in complying with the "must-offer" obligation are allocated. The sole issue for which the CAISO is seeking rehearing concerns the scope of the must-offer obligation and the CAISO's discretion when to grant waivers to generators from the obligation. Prior orders and Opinion No. 492 recognize the need for the CAISO to ensure sufficient Operating Reserves to maintain reliability and, accordingly, and recognize that waiver requests should be denied for requests from generators if the resource may be needed to meet Operating Reserves requirements. On the other hand, Opinion No. 492 appears to suggest the CAISO does not have discretion to deny waivers unless the resource may be needed for Energy in the real-time. Accordingly, the CAISO sought rehearing or, in the alternative, clarification to ensure that the CAISO can deny waivers to ensure adequate Operating Reserves. The CAISO is also seeking clarification that the directed allocation of Emissions and Start-Up Costs can be allocated based on estimates as described on the record by CAISO witnesses.

Responsible Attorney: Sidney Davies

Reliability Capacity Services (RCST) Cost Allocation Tariff Amendment (EL07-326)

On February 13, 2006, FERC issued an *Order on Amendments and Tariff Revisions* in which it approved, effective January 1, 2007, the CAISO's tariff amendments filed on December 15, 2006 to implement allocation methodologies for costs incurred while making 2007 Local and Significant Event RCST designations. FERC also approved, effective July 1, 2006, tariff amendments that reflect a FERC-approved waiver of certain requirements in Order No. 676 (regarding business practice standards and communication protocols promulgated by the Wholesale Electric Quadrant of North American Energy Standards Board (NAESB)). As proposed by the CAISO and approved by FERC, costs for Local RCST designations will be allocated to the Load Serving Entities (LSEs) that are deficient in meeting their local resource adequacy requirements, if any, as established by the CPUC or applicable local regulatory authority. FERC approved the CAISO's proposed tariff amendments setting forth the process that the CAISO would undertake to obtain the information that the CAISO needs to determine whether 2007 Local RCST designations are necessary. FERC also approved the proposed allocation of costs for 2007 Significant Event RCST designations, which is the same methodology as that proposed for the allocation of 2006 Significant Event RCST designation costs (and approved by FERC), except that the load share ratio is based on more recent coincident peak loads. FERC noted the CAISO's agreement to modify Section 43.2.1 of the tariff to clarify that LSEs do not have to resubmit their local resource adequacy showings to the CAISO and directed the CAISO to make a compliance filing reflecting this tariff change within 60 days.

Responsible Attorney: Anthony Ivancovich

Reliability Capacity Services (RCST) Order on Offer of Settlement (EL05-146)

On February 13, 2007, FERC issued an *Order On Paper Hearing* in which it approved all aspects of the March 31, 2006 RCST Settlement except the proposals to: (1) raise the CAISO's Automated Mitigation Procedures (AMP) price screen from \$91.87 to \$200; and (2) clear the Ancillary Services markets using market-based bids before using the cost-based Ancillary Services bids of Reliability Must-Run (RMR) Units operating under Condition 2 of their RMR Contracts. FERC approved the proposed settlement effective date of June 1, 2006. FERC rejected arguments that RCST was unnecessary and duplicative and found instead that it augments both market design and reliability. FERC stated that RCST meets the reliability needs of the CAISO and ensures that generators providing reliability services will be appropriately compensated, thereby reducing the likelihood that units will be mothballed or shut-down. FERC found that the proposed capacity payment of \$73/kW-year (minus a variable Peak Energy Rent amount) was within the range of reasonable capacity prices. FERC found that the target heat rate of 10,500 MMBtu/kW for the reference resource was reasonable and within the range of turbine heat rates. FERC found that the use of a variable Peak Energy Rent (based on actual prices), as proposed in the settlement, was preferable to a fixed Peak Energy Rent because it would reflect actual market outcomes and serve as a disincentive to the exercise of market power. FERC found the proposed RCST target availability of 95% to be just and reasonable, noting that it exceeded average turbine availability of 92%. FERC also found that the proposed target availability level provides incentives for generators to be available because payments are increased for enhanced availability levels and reduced if unit availability falls below the target level. FERC approved the cost allocation methodologies proposed in the settlement. In particular, FERC found the following allocation methodologies to be just and reasonable: (1) the Must Offer daily capacity payment should be allocated in accordance with FERC's decision in the Amendment 60 proceeding regarding the allocation of Minimum Load Cost Compensation (MLCC) because capacity payment costs are incurred for the same reason as MLCC; and (2) it is appropriate to allocate Significant Event RCST designation costs to Existing Transmission Contract customers (as well as other load) because this is a new service that will benefit such customers. FERC also found that the proposed terms of RCST designations struck a reasonable balance between the goals of providing generators with stable capacity payments and meeting the reliability needs of the

CAISO. FERC ruled that all customers, including Metered Subsystem (MSS) customers, benefit from reliable operation of the grid and, therefore, it is reasonable to allocate backstop procurement costs incurred to maintain reliability to them. FERC stated that such services/costs are not duplicative of other features contained in the MSS agreements. FERC approved the proposed \$40 frequently mitigated unit bid adder for units whose supplemental incremental bids are mitigated for local constraints and which are not receiving other capacity payments (through RCST, Must Offer, Resource Adequacy or RMR). FERC agreed with the settling parties that such units are providing similar reliability services to those units receiving a capacity payment and should be compensated in a similar manner. Finally, FERC directed the ISO to file tariff sheets consistent with FERC's order.

Responsible Attorney: Anthony Ivancovich

California ISO Bond Offering (ES07-20)

On February 9, 2007, the CAISO filed, pursuant to Section 204 of the Federal Power Act, with FERC in connection with CAISO's proposed \$60 Million Dollar bond offering. The purposes of the bond issuance are to provide funding for projected capital expenditures through 2007 and certain "carryover" project expenditures in early 2008, namely costs associated with CAISO's Market Redesign and Technology Upgrade ("MRTU"). The bond funds would also provide funding for the establishment of a debt service reserve fund ("DSRF"). Approximately, \$6 million of the total bond offering would be used to establish the DSRF, which would be available to pay debt services in the event of financial difficulties affecting the CAISO. A DSRF is considered usual and customary to interest bond investors in the proposed bonding offering and is traditional in municipal "revenue bond" (as opposed to general obligation bond) financings.

Responsible Attorney: Grace Arupo

Interim Reliability Requirements Program (ER06-723-000)

On January 22, 2007, FERC issued an order responding to requests for rehearing and clarification as well as the CAISO's compliance filing with respect to the Interim Reliability Requirements Program (IRRP) provisions of the CAISO Tariff. The purpose of the IRRP is to implement and facilitate resource adequacy programs of the California Public Utilities Commission (CPUC) and other Local Regulatory Authorities in the period prior to MRTU. The order concluded as follows:

- Denied request for rehearing of the California Department of Water Resources (CDWR) that (1) it should be allowed to develop its own unique resource adequacy program or, alternatively, that it is exempt from resource adequacy because it is not a Load Serving Entity (LSE) under the CAISO's tariff definition and (2) that the IRRP discriminates against CDWR in favor of behind-the-meter load.
- Denied request for rehearing of Golden State Water Company (GWS) that smaller investor owned utilities regulated by the CPUC should be exempt from the IRRP because the CPUC has not promulgated resource adequacy requirements applicable to such LSEs. However, the CAISO must accept a resource adequacy plan proposed by GSW while it is being considered by the CPUC.
- Denied request for rehearing of Imperial Irrigation District (IID) that (1) the IRRP forces the resources of non-jurisdictional LSEs to offer into the CAISO's markets and (2) limits export availability through the IRRP's import allocation.
- Denied request for rehearing of Joint Movants (Reliant, Williams NRG, and AReM) challenging provisions of the IRRP that preclude payment to a resource providing resource adequacy capacity for both minimum load costs

and for imbalance energy produced while operating at minimum load. Unlike resource adequacy resources, resources committed under the FERC must-offer obligation are paid an imbalance energy payment in addition to minimum load cost compensation (MLCC).

- Denied request for rehearing of the Six Cities (Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside) alleging that the IRRP degrades the benefits of Firm Transmission Rights (FTRs). FERC noted that the import allocation procedure under the IRRP is for resource adequacy counting purposes and “in no way degrades the value of firm FTRs [Firm Transmission Rights] for hedging transmission congestion costs – the only risk FTRs were designed to hedge.”
- Denied SMUD’s request for rehearing challenging application of Amendment 60 cost allocation principles to resource adequacy resources (i.e., commitment costs allocated based on whether the commitment was for local, zonal, and system reasons).
- Accepted the CAISO’s compliance filing with the following modifications to be submitted in a subsequent compliance filing within 30 days of the order (February 21, 2007):
 - Remove provisions requiring submission of resource adequacy programs prior to August 31, 2006 in order to avoid default provisions.
 - Clarify that seasonal import commitments, rather than only annual commitments, will count towards an entity’s allowable import allocation.
 - Provide specificity in deadlines for completing import allocation process and trading.
 - Define “compliance year” for purposes of maintaining a unit’s “deliverability”.

Responsible Attorney: Grant Rosenblum

Request for Waiver of Tariff Provision (ER07-447-000)

Current law and policies require California utilities and other electricity retailers to purchase 20% of their electricity from renewable sources deliverable to the CAISO control area by 2010. Transmission constraints, especially in the Tehachapi wind resource area (TWRA), have been identified as one of the obstacles to achieving this objective. In order to remove this obstacle in the TWRA, the CAISO has worked cooperatively with the California Public Utilities Commission, California Energy Commission, Southern California Edison Company and other stakeholders to develop the Tehachapi Transmission Project - a comprehensive transmission plan for the phased expansion of transmission capabilities in the TWRA.

The CAISO Governing Board approved the Tehachapi Transmission Project on January 24, 2007 primarily on the basis that it constitutes the least-cost solution to reliably interconnect 4,350 MW of generating resources in accordance with the CAISO’s obligations under the FERC-approved Large Generator Interconnection Procedures (LGIP). This approval remains conditional pending the outcome of the CAISO’s request for waiver of specific LGIP tariff provisions as discussed below.

The LGIP authorizes the CAISO to study generation interconnection requests in a collective or “clustered” manner, rather than one-at-a-time as traditionally done, to ensure the efficient expansion of the transmission system to accommodate new generation that conforms to regional planning objectives. A clustered approach is especially applicable where, as in the TWRA, a significant number of interconnection requests are concentrated in a particular geographic region. The CAISO therefore applied a clustered approach to the Tehachapi Transmission Project. However, in order to do so, on January 9, 2007, the CAISO filed a petition with FERC for a one-time waiver of the restriction on clustering that limits its scope to only

projects that have applied for interconnection within a 180-day Queue Cluster Window. The CAISO requested that FERC waive the 180-day requirement in order to allow the CAISO to establish a retroactive Queue Cluster Window between September 4, 2003 and May 24, 2006. By expanding the Queue Cluster Window to this time frame, the CAISO could identify transmission Network Upgrades necessary to accommodate the interconnection the approximately 4,350 MW of generating facilities in the TWRA.

Only one party – Calpine Corporation – has protested the waiver request on the basis that its project will suffer financial harm by being included in the cluster.

Responsible Attorney: Grant Rosenblum

Order No. 888 Reform Rulemaking (RM05-25)

On February 16, 2007, FERC issued Order No. 890 a Final Rule amending its open access transmission rules as promulgated in Order Nos. 888 and 889. The Final Rule is designed to (1) strengthen the *pro forma* open access transmission tariff (“OATT”) to ensure that it achieves the original purpose of remedying undue discrimination, (2) provide greater specificity to reduce opportunities for undue discrimination and facilitate FERC’s enforcement, and (3) increase transparency in the rules applicable to planning and use of the transmission system. One of the key reforms in Order No. 890 is the requirement that all transmission providers implement a transmission planning process that meets the following specified planning principles: coordination; openness; transparency; information exchange; comparability; dispute resolution; regional coordination, economic planning studies; and cost allocation for new projects. Another major reform is the requirement for consistency in the calculation of Available Transmission Capacity. Order No. 890 also adopted numerous other transmission pricing reforms, as well as amendments to various non-rate terms and conditions of the *pro forma* OATT. Within 210 after the Final Rule is posted in the *Federal Register*, the CAISO is required to submit a compliance filing that, *inter alia*, contains the non-rate terms and conditions set forth in the Final Rule or a demonstration that previously approved variations are consistent with or superior to the revised *pro forma* OATT. The CAISO must also submit, as part of the compliance filing, a proposal for a coordinated and regional transmission planning process that meets the nine principles enunciated in the Final Rule or show that its existing transmission planning process is consistent with or superior to the requirements in the Final Rule. After the submission of compliance filings, transmission providers, including the CAISO, may submit Section 205 filings proposing rates for services provided under the tariff, as well as non-rate terms and conditions that differ from those set forth in the Final Rule.

Responsible Attorney: Anthony Ivancovich

CPUC Matters

Rulemaking Regarding Policies and Protocols For Demand Response and Alignment with CAISO Market Design Protocols (R.07-01-041)

On January 25, 2007, the CPUC instituted a rulemaking to for continued development of Demand Response (DR) programs for the investor-owned utilities (IOUs). The Order Instituting Rulemaking (OIR) comments that DR programs have “become a focal point of CAISO’s wholesale market development” and that notes that the CPUC filed comments at FERC in support the FERC directive issued to CAISO in the September 21, 2006 MRTU Order to incorporate price responsive DR programs into MRTU. The CPUC also said in its filed comments to FERC that CAISO needed to develop a stakeholder working group process to “identify how to best align existing utility DR programs with wholesale markets.”

The rulemaking is intended to explore 4 main issue areas:

- (1) Developing a final load impact protocol for DR programs—(i.e., better gauging impact on customer load). The load impact of a DR program is defined as the difference between the customers' load (in response to a DR request) and the customers expected load (baseline load) in absence of the DR request.
- (2) Developing better cost effectiveness methods—to better evaluate what must be paid to customers to show up versus how much cost benefit there related to load reduction. In this regard, the OIR notes that there will be a focus on attempting to identify “DR benefits not captured by avoided costs.”
- (3) Demand Response Participation Goals—developing better rules to count DR participation; and
- (4) Integration with CAISO MRTU—In this regard, the OIR states that “we have recommended that the CAISO account for existing demand response in a way that does not promote procurement of redundant supply-side resources” and notes that a key to resolving this is to identify the disconnects or gaps between existing retail DR programs and CAISO's operational needs for the wholesale market.

A Pre-hearing conference is set for March 13, 2007, with workshops on issues (1) and (2) [protocols and cost effectiveness] set for April-June 2007 and workshops on issue 3 [participation goals] by August 2007. As to CAISO-MRTU issues, the OIR indicates that the CPUC is looking to CAISO to conduct a process for modifications of DR programs---"The stakeholder process envisioned by the CAISO could result in recommendations to modify the existing DR programs and such recommendations would be considered in this rulemaking. Our Energy Division will participate in the CAISO's DR stakeholder group to assure the agencies are communicating on this work." Accordingly, the CPUC's preliminary schedule in this matter does not include a CPUC workshop for CAISO-MRTU issues.

Responsible Attorney: Bill Di Capo

Sunrise Powerlink proceeding (A.06-08-010/05-12-014)

On January 26, 2007, the CAISO filed testimony by a panel of witnesses: Armie Perez, Robert Sparks and Dr. Ren Orans of Energy and Environmental Economics, Inc. The testimony described the Sunrise Powerlink project report issued on July 28, 2006 and approved by the CAISO Board of Governors on August 3, 2006. The testimony also explained the results of certain Sunrise alternative scenarios that the CAISO agreed to study. Specifically, the CAISO developed a modified reference case and performed reliability and economic studies for the following scenarios: the base case; the base case + Sunrise; the base case + Greenpath North and LEAPS projects and the base case +South Bay repowering. Additional testimony will be filed on March 1, 2007 with further assumption changes to the base case and sensitivity runs performed for verification purposes. The CAISO is also in the process of evaluating other Sunrise alternative scenarios as requested by the interveners in the CPUC proceeding. This evaluation process will be ongoing until all of the requested scenarios have been run and the results tabulated and reviewed by the CAISO.

Responsible Attorney: Judi Sanders and Bill Di Capo

Rulemaking Regarding Greenhouse Gas Implementation Standards (R.06-04-009)

On January 25, 2007, the CPUC adopted, with minor modifications, its December 13, 2006 Proposed Decision (PD) adopting interim Greenhouse Gas (GHG) Emissions Performance Standards (EPS) for new long-term financial commitments to baseload generation by all Load Serving Entities (LSEs). The interim EPS was promulgated in compliance with SB 1368 and serves as a bridge until an enforceable load-based GHG is adopted and enforceable. The interim EPS established by the decision imposes a standard of 1100 pounds of CO₂ per megawatt hour. (This level is a 100 lb increase from what was stated in the PD and is essentially in line with the CO₂ emissions rate of a Combined Cycle Combustion Turbine). The EPS applies to new ownership investments in baseload generation facilities that would extend the life of the facility for 5 years or more, or generation procurement contracts of 5 years or more.

On February 2, Assigned Commissioner Peevey issued a Ruling and Phase 2 Scoping Memo. He noted that public events such as workshops and hearings would be conducted in collaboration with the California Energy Commission (CEC), and that CEC Chair Pfannenstiel would participate. The output from these events would be a set of guidelines and recommendations about the electricity sector that would serve as a joint recommendation from the CPUC and CEC to the California Air Resources Board (CARB). CARB would then consider the recommendation in developing its scoping plan pursuant to AB 32, the legislation under which CARB is charged with setting GHG emissions limits for all sectors of the California economy.

The ruling stated that guideline development for a load-based emissions cap would address the following issues:

1. reporting requirements;
2. development of 1990 electricity sector baseline and current entity-specific GHG emissions levels;
3. GHG emissions reduction measures and annual emissions caps;
4. flexible compliance mechanisms;
5. entity-specific allowance allocation;
6. modeling to support policy design and evaluation costs.

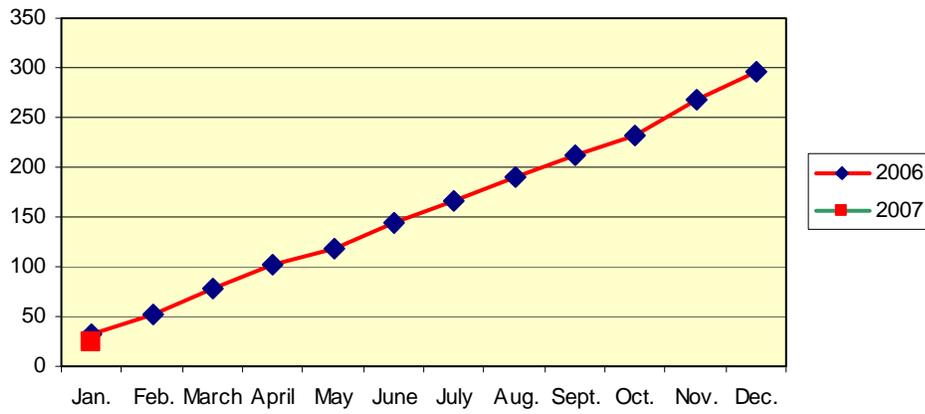
The ruling stated that the schedule for development of these 6 programmatic elements would be designed to dovetail with the following major milestones of CARB's schedule for its AB32-related activities:

- April 2007—CARB conducts a public status workshop;
- June 2007—The Market Advisory Committee presents its recommendations (This committee was established by Governor's Executive Order to advise CARB on development of a market-based compliance program.)
- October 2007—CARB conducts a status workshop and finalizes a CARB staff report on mandatory reporting requirements.
- February 2008—CARB conducts an "integration" workshop to address overall AB 32 framework recommendations;
- Summer 2008—CARB staff releases a preliminary draft of AB32 "scoping plan"
- October 2008---CARB staff finalizes a "scoping plan" for Board adoption in November 2008.

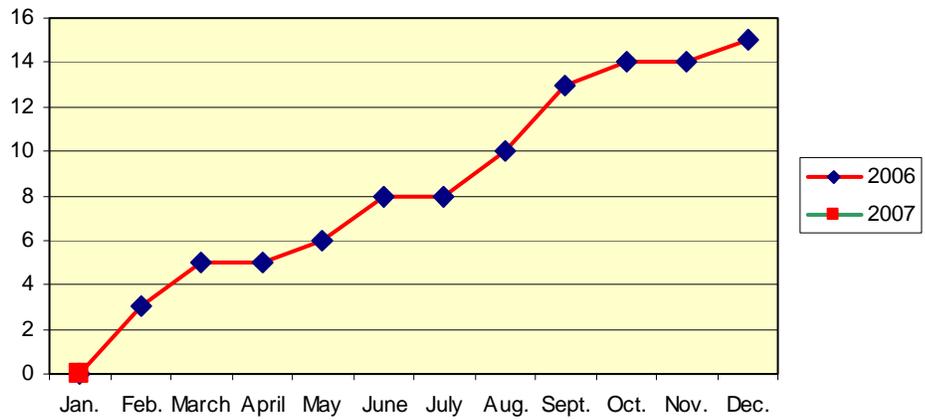
The CAISO has been participating in this proceeding through consultation with the CPUC as directed in SB 1368, and is not as a party. Commissioner Peevey noted in the ruling that, "in developing guidelines for a load-based GHG emissions cap, the CPUC will collaborate with the CEC ...and will consult with the California Independent System Operator, which also has important expertise in this area."

Responsible Attorney: Bill Di Capo

FERC Filings



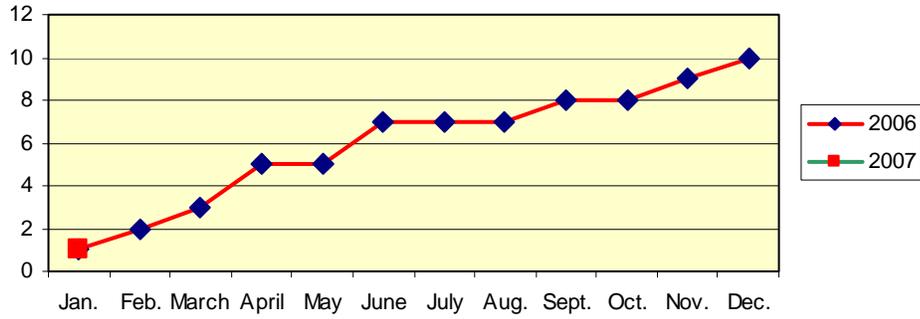
FERC Agreements



CPUC/Other Commission Filings



Court Filings



Total Filings

