

**2012 Grid Management Charge Straw Proposal**  
**ISO Folsom Facility, Building 101A**  
**November 18, 2010**  
**10:00 a.m. – 12:00 p.m.**

**Attendees:**

<b>Name</b>	<b>Organization</b>		<b>Name</b>	<b>Organization</b>
<b>Via Phone:</b>			Sue Mara	RTO Advisors
Anthony Augustin	CDWR		Kerri McKee	Iberdrola Renewables
Laura Beane	IRI		Jim McClellan	Morgan Stanley
Sean Beatty	Mirant		Grace McNamara	Louis Dreyfus
Bonnie Blair	Thompson Coburn		Charles Mee	CPUC
Robert Bonner	C O P		Patrick Murray	Morgan Stanley
Kevin Boudreaux	Enercal USA		Sean Neal	Duncan Weinberg
Don Brookhyser	C A C		Paul O'Leary	EDF Trading
Bob Caracristi	NCPA		John Perry	TID
David Cohen	Navigant		Val Petrov	PG&E
Hilary Costa	Platts Newsletters		Leslie Pompel	Bonneville Power
Kayne Coulter	Deutsche		Jason Russell	OXY
David Dan	Power Settlements		Masoud Shana	WAPA
Jeff Davis	NID		Chris Soderlund	SDG&E
Jackie DeRosa	Customized		Brian Theaker	Dynegy
Caroline Emmert	Aces Power Marketing		<b>Present:</b>	
Nury Enciso	Cal ISO		Mike Epstein	California ISO
Philip Fernandez	City of Riverside		Charles Snay	California ISO
Carl Funke	SDG&E		Don Tretheway	California ISO
Bert Hansen	Southern Cal Edison		Jan Cogdill	California ISO
Natalie Karas	Modesto Irrigation District		Stephanie O'Guinn	California ISO
Bob Kargoll	PG&E		Chris Kirsten	California ISO
Carolyn Kehrein	EMS		James Lynn	California ISO
Cindy Leinenkugel	City of Riverside		Ryan Seghesio	California ISO
Heather Wilson	SMUD			

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Name	Organization		Name	Organization
Justin Wynne	CMUA			
Tony Zimmer	NCPA			
Michelle Volke	Bonneville Power ADM			
Mike Whitney	NCPA			
Steve Williams	SDG&E			

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

The following topic was covered:  
GMC Billing Determinant Design

### Market Services Rate

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1.	Do Market Services Billing Determinants include self scheduled MwHrs?	Brian Theaker	Don Tretheway	Yes
2.	Will the ISO continue to make adjustments as necessary?	David Cohen	Don Tretheway	Yes, on a quarterly basis.
3.	How did you estimate volume of virtual supply?	David Cohen	Don Tretheway	We double the estimated physical volume and used 10% of that amount
4.	Will the methodology of the forecast be in Tariff	David Cohen	Mike Epstein	We haven't decided what will be in the tariff. We will discuss after January
5.	Would unscheduled generation be charged the market services charge as if they submitted a schedule?	Charles Mee	Don Tretheway	The ISO will submit an awarded schedule on that SC's behalf and the awarded schedule would be assessed the charge. ISO is reviewing this.
6.	Did the ISO consider netting and what the impact would be?	Bert Hanson	Mike Epstein	We provide all of the individual components and you will be able to do "what if" scenarios
7	What is the amount of the SCID fee and what triggers the fee?	Sean Neal	Mike Epstein	The fee is \$1000/month and remains active for 36 months after a trade date settles. We are still working through the details.

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### System Operations Rate

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1.	Would the Market Services charge apply to TOR schedules?	Chris Soderlund	Mike Epstein	In this proposal, we treat TOR's as everything else. Looking for more information on how it should be treated

### Transaction/Administration Fees

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1.	Where is the cost support for the SCID fee?	Sean Neal	Mike Epstein	The SCID fee is not cost driven but recovers a portion of costs similar to the old SMCR
2.	In the Straw Proposal, the market services charge includes MSS load following in the billing determinants. Please reconsider.	Tony Zimmer	Don Tretheway	The ISO will review this
3.	For inter SC trades, would there be a market services charge applied?	Charles Mee	Mike Epstein	No. Only the inter SC trade fee
4.	If a company has 2 SCID numbers and uses 1 but not the other, how long until they could cancel the unused one?	MID	Mike Epstein	36 months from the last transaction trade date
5.	How would the transition work to this new SCID fee?	MID	Mike Epstein Charles Snay	The transition is not worked out yet. We need to research the details of this internally
6.	Proposed a revised methodology for CRRs	Bob Cantile	Don Tretheway	Comments will be included in written comments to the proposal.
7.	The CRR per transaction fee is significantly higher than other ISO's. Will the ISO review this?	Paul Leary	Mike Epstein	We believe \$1 is a reasonable amount and welcome comments.
8.	Does the inter SC trade fee apply to each hour?	Jim McClellan	Charles Snay	Correct per transaction fee purely financial transaction
9.	Why is there a 3 fold difference in system operations compared to market services	Brian Theaker	MEpstein	The rates driven by buckets. Cost association higher in the service rate

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#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
10.	How rate structure 3 times/focusing disproportion of market	Brian Theaker	Don Tretheway	Difference in rate are not problematic. Market services is a lower cost to manage than grid flow
11.	Which market segment is most affected by the new GMC proposal?	Brian Theaker	Mike Epstein	Most segments are similar to what they pay in the current structure. There are individual company differences based on activity & performance.
12.	Would behind the meter load being served by a generator be charged?	Brian Theaker	Don Tretheway	No. They would not be charged what the ISO does not see.
13.	What is driving the market services costs?	David Cohen	Mike Epstein	The ISO costs were discussed in detail at the October meeting. It is 27% market and 69% system with 4% CRR's
14.	How are imports & exports accounted for? By schedule or actual?	Charles Mee	Don Tretheway	Imports/Exports are deemed delivered
15.	Real-time losses will not be charged?	Charles Mee	Don Tretheway	Correct
16.	If a generator changes a bid in the real-time market, will they be charged the market services charge?	Jeff Davis		Yes