



**California ISO**  
Your Link to Power

California Independent  
System Operator Corporation

**2012 Budget Stakeholder Meeting**  
**ISO Folsom Facility, Building 101A**  
**October 4, 2011**  
**10:00 a.m. – 11:00 a.m.**

**Attendees:**

Name	Organization		Name	Organization
Akesh Arvind	Southern Cal Edison		John Priddy	SRP
Patrick Bennett	San Diego Gas & Electric		Stacy Tanner	NCPA
Joanne Bradley	BES		Brian Theaker	NRG Energy
Don Brookhyser	CAC		Mari Turner	Pacific Gas & Electric
Bob Caracristi	NCPA		Jose Vargas	City of Riverside
Hong Chau	CDWR		Michelle Volk	BPA
Hilary Costa	Platts		Mike Whitney	NCPA
Jeff Davis	MID		Steve Williams	San Diego Gas & Electric
Caroline Emmert	Aces Power Marketing		Heather Wilson	SMUD
Thomas Flynn	Southern Cal Edison		<b>Present:</b>	
Carl Funke	San Diego Gas & Electric		Liz Lynn	WAPA
Geoff Gong	CDWR		Dean Burk	CDWR
Steve Greenleaf	J P Morgan		David Cohen	TANC
Steve Greenlee	CAISO		Sean Neal	MID
Jean Hall	Oxy		Chris Kirsten	CAISO - Host
Steve Hance	Silicon Valley Power		Denise Walsh	CAISO
Burt Hanson	Southern Cal Edison		Stephanie O'Guinn	CAISO
Gifford Jung	Powerex		Michelle Gamble	CAISO
Mike Kramek	Edison Mission		Jan Cogdill	CAISO
Cindi Leinenkugel	City of Riverside		Chhanna Prak	CAISO
Susan Mara	RTO Advisors		Mike Epstein	CAISO
Margaret Miller	BEM		Ryan Seghesio	CAISO
John Perry	TID		Charles Snay	CAISO

*Questions or comments about the GMC should be directed to: [GMC@caiso.com](mailto:GMC@caiso.com)*

The following topics were covered:

## 2012 Budget and Rates

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1	What is the annual cost of the Blue Ravine facilities?	David Cohen - TANC	Mike Epstein	Minimum of \$2 million for rent through 2012
2	Has a sub-lease been considered? Will the \$2M go away after 2012?	David Cohen - TANC	Ryan Seghesio	Yes to both
3	Is there a Multi-Year Telecommunications contract?	David Cohen - TANC	Mike Epstein	Yes, 2 years
4.	Is the contract (\$15.3 million) an expense of the building or capitalized?	David Cohen - TANC	Mike Epstein	The hardware is capitalized. The \$15 million is the budget for both communication and software & hardware maintenance
5.	Will RFP for Telecommunications be posted on the website?	David Cohen - TANC	Mike Epstein	This is to be determined
6.	There is a salary & benefit increase. What about the costs related to VSP?	David Cohen - TANC	Mike Epstein	This has been absorbed in this year's budget – Reallocated headcount
7.	How are consultants/contractors vs outsourced categorized?	David Cohen - TANC	Mike Epstein	They are in separate categories as described in the budget book.
8.	In the billing & settlements category is operate markets a capital or O&M?	David Cohen - TANC	Mike Epstein	It is an O&M category. The system is in capital
9.	2009 Bonds- is the excess not used for the building being used for capital?	David Cohen - TANC	Ryan Seghesio	Yes
10.	Where is the \$35M invested?	David Cohen - TANC	Ryan Seghesio	Bonds held in trustee. With low rates, difficult yield environment
11.	Is there a payment provision paydown?	David Cohen - TANC	Ryan Seghesio	Not until 2014 – We will evaluate then
12.	Rate adjustment Market Service- why?	Sean Neal - MID	Charles Snay	Market usage rate change from an increase in volume and less revenue from Inter-SC Trade fees.
13.	ISO Convergence Bidding – is this included in volumes for charge codes?	Sean Neal - MID	Charles Snay	Yes. We are using the convergence bidding data available to include in estimates

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14.	Why is there a variance in billing units?	David Cohen-TANC	Mike Epstein	We used the estimated data from 2009-2010 for the budget book but updated it with current data which included Convergence Bidding volumes
15.	Do we have insights from other ISO's on market service charges?	David Cohen-TANC	Mike Epstein	I believe the average is around 7.5 cents; not all ISO's have the same components
16.	How are the SCID/SMCR charges in the new structure?	JVaughn	Mike Epstein Charles Snay	The name was changed to the SCID Fee but no change in its components or applicability
17.	Is the revised total relative to the earlier total? What was the change due to?	David Cohen-TANC	Charles Snay	The revised volumes in market services are larger due to Convergence Bidding.
18.	What is the estimated volume of Grandfathering? Still about \$7M? What is the process to register?	David Cohen-TANC	Charles Snay	Yes, about \$7M. The proforma template is being designed now.
19.	Is the volume for Grandfathering capped?	David Cohen-TANC	Charles Snay	The longest contract is 10 years. We do not expect many or any registrations that are not already in the forecast.
20.	Yearly forecast of GMC volumes and collections?	David Cohen-TANC	Charles Snay	Yes. Annually and Monthly
21.	Future budgeting will look to table?	David Cohen-TANC	Charles Snay	Yes
22.	Denominator only changing between now and December?	David Cohen-TANC	Charles Snay	Correct
23.	Slide 5- How is the 242M Mwh determined?	Dean Burk - CDWR	Charles Snay	1% increase in estimates -.7% increase from IOU's
24.	Did you check CEC forecast?	David Cohen-TANC	Charles Snay	We looked at it but used our own data & assumptions
25.	When is the deadline for comments	Dean Burk - CDWR	Mike Epstein	October 11th
26.	When will you post the final GMC & budget numbers?	David Cohen - TANC	Charles Snay	In December after the Board approves them
27.	How is the volume data forecasted	David Cohen-TANC	Charles Snay	New structure-2 year set data Past 5 year normalized/Average increase
28.	Is the forecasting methodology in filing?	David Cohen - TANC	Charles Snay	Referenced but the details are not filed.