

To Whom It May Concern,

In reviewing the CAISO's latest draft of the 2012 Grid Management Charge Tariff language, NCPA has a few questions, which are:

1. Sections 11.22.2.5.1 (Market Services Charge), 11.22.2.5.2 (System Operations Charge) and 11.22.2.5.3 (CRR Service Charge) indicate that each Scheduling Coordinator's charge for the respective charge code is calculated according to the formula in Appendix F, Schedule 1, Part A of the CAISO Tariff. Appendix F, Schedule 1, Part A, subsections 1, 2 and 3 describe how the rates for the Market Services Charge, System Operations Charge and CRR Services Charge are calculate, but it does not go on to describe how each charge will be assessed to a Scheduling Coordinator. NCPA would expect to see language that states how each Scheduling Coordinator's billable quantity is calculated, which would then be multiplied by the rate developed (as described in Part A). Is this language missing, or is it located in another portion of the Tariff?
2. CAISO's 2012 Grid Management Charge Draft Final Proposal correctly states that "it is appropriate to exclude MSS Load Following instructed imbalance energy from the Market Services GMC charge." In reviewing Appendix F, Schedule 1, Part A, subsection 1, the new language states that "the rate for the Market Services Charge will be calculated by dividing the annual GMC revenue requirement allocated to this service category by the forecast annual gross absolute value of MW per hour of Ancillary Services capacity awarded in the Day-Ahead and Real-Time Markets, MWh of Energy cleared in the Day-Ahead market, Virtual Demand Award, Virtual Supply Award, and Instructed Imbalance Energy, **less the forecast annual gross absolute value of such Energy as is excluded by any MSS agreement**, Standard Ramping Energy, Regulation Energy, Ramping Energy Deviation, Residual Imbalance Energy, Exceptional Dispatch Energy and Operational Adjustments for the Day-Ahead and Real Time." Is NCPA correct to assume that the language highlighted in yellow above is intended to implement the exclusion of MSS Load Following instructed imbalance energy from the calculation of the Market Services Charge?

Any clarification you can provide on these questions will help NCPA better understand the intent of the language proposed. Please feel free to contact me if you have any questions.

Thank you,

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