

Comments on 2012 GMC Draft Final Proposal

Submitted By	Company or Entity	Date Submitted
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Powerex appreciates the opportunity to provide these brief comments on the CAISO's 2012 GMC Draft Final Proposal.

Powerex believes the CAISO's GMC proposal meets with the Policy and Ratemaking Principles expressed by the CAISO at the start of this process. Powerex especially supports the cost causation principle used to set rates and believes the design process led to rates that are transparent, predictable, and simple.

Furthermore, Powerex supports the grandfathering proposal as a useful transition for a certain number of limited generation contracts that mitigates the rate impact of the GMC re-design since parties could not have reasonably predicted the impact of this rate design on those contracts.

Powerex also has no objections to the proposed treatment of Transmission Ownership Rights or the Treatment of Metered Sub System Load Following Energy since the CAISO believes their proposal follows cost causation principles and will not unreasonably shift costs to other market participants.

Finally, Powerex believes the CAISO's proposal for a 3 year Revenue Requirement Cap of \$197M, \$199M, and \$199M for 2012, 2013, and 2014, respectively, is reasonable. However while Powerex believes the proposal is reasonable, Powerex continues to encourage the CAISO to pro-actively seek efficiencies and opportunities to simplify its operations and tariff to reduce its annual budget below the Cap.