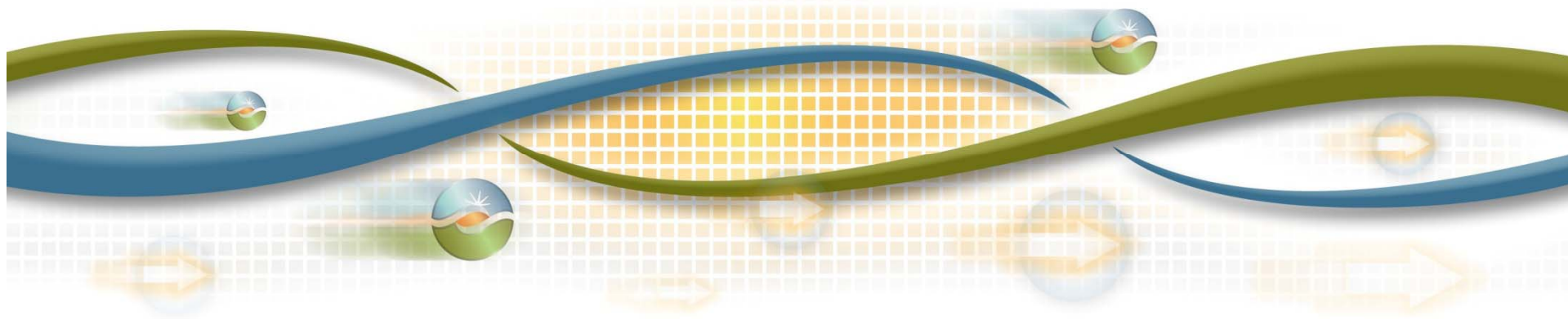
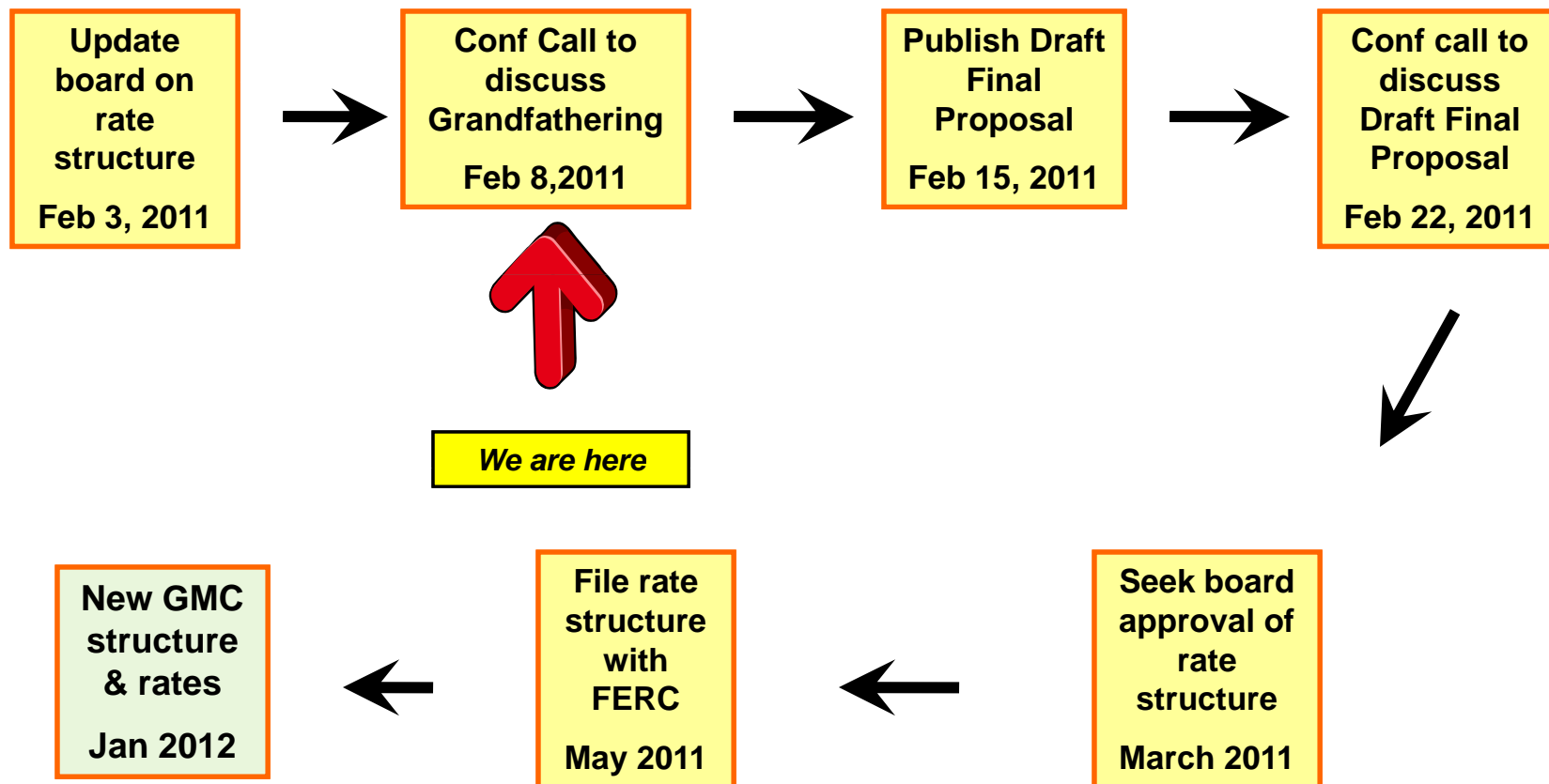


Modification to 2012 GMC Straw Proposal Grandfathering Provision

February 8, 2011



Timeline for 2012 GMC Rate Filing



Agenda

- Grandfathering Provision
 - Overview
 - Criteria
- Questions and Next Steps

Overview of Grandfathering Proposal

- Units that meet the criteria would be exempt from the System Operations charge until the first opportunity to renegotiate the contract or until the contract expiration
- An officer of the company must send the ISO a signed affidavit attesting to the information
- Intended to assist units that are severely impacted by the new GMC structure and unable to recover those costs due to long term contractual obligations

Proposed Criteria for Grandfathering of Units

- The contract precludes the supplier from recovering the additional GMC costs under the 2012 design from the buyer
- The contract must have been executed prior to 1/1/11
- The duration of the contract must be three years or greater (until the first exit provision)
- The generation owner must be the scheduling coordinator

Proposed Criteria for Grandfathering of Units (con't)

- The contract may not be with another scheduling coordinator that has the same parent company as the generation owner
- The contract may not be with the same scheduling coordinator ID as the generation unit resides

Next Steps

- Comments due on Grandfathering proposal only this Friday 2/11/11. Please send comments to gmc@caiso.com
- Questions?