

Stakeholder Comments Template
Subject: GMC Charge Code 4537 – Market Usage
Forward Energy Straw Proposal

Submitted by (Name and phone number)	Company or Entity	Date Submitted

CAISO seeks written stakeholder comments on its GMC Charge Code 4537 – Market Usage Forward Energy Straw Proposal, which was posted on August 28, 2009 at <http://www.caiso.com/23f1/23f1eeab40a20.html>

Stakeholders should use this Template to submit written comments. Written comments should be submitted no later than Close of Business on Friday, September 4, 2009 to: csnay@caiso.com. Comments will be posted on the CAISO website.

The CAISO seeks stakeholder input on the following:

1. Do you support the ISO's straw proposal to eliminate ISTs from the MUFE calculation? Please explain why.

The Sacramento Municipal Utility District (SMUD) generally supports the elimination of ISTs from the MUFE calculation. As SMUD noted in earlier comments during this stakeholder process, given SMUD's understanding of the nature of IST transactions, the costs they impose on CAISO internal systems are not an appropriate match to a volume-based charge, such as MUFE.

As SMUD has further contemplated the CAISO's proposal, reviewed the numerous stakeholder comments and had discussions with other stakeholders regarding this issue, however, there appears to have been a critical component missing during this GMC/MUFE process. That is, what exactly are the costs that ISTs impose on CAISO systems, and what is the most transparent and simple way to recover these costs? It would help the process in crafting an appropriate solution to have these questions addressed directly in the CAISO's Straw Proposal.

2. If you do not support removing ISTs from the MUFE calculation, what alternative do you propose? Please explain why your alternative is preferable to the ISO's straw proposal.

See SMUD's answer to question 1, above.

3. Do you support the ISO's straw proposal to continue netting physical energy in the MUFE calculation? Please explain why.

See SMUD's answer to question 1, above.

4. If you do not support the netting option, what alternative do you propose? Please explain why your alternative is preferable to the ISO's straw proposal.

See SMUD's answer to question 1, above.