

# **Stakeholder Comments Template**

## **Subject: GMC Charge Code 4537 – Market Usage Forward Energy Discussion Paper**

<b>Submitted by (Name and phone number)</b>	<b>Company or Entity</b>	<b>Date Submitted</b>
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CAISO seeks written stakeholder comments on its GMC Charge Code 4537 – Market Usage Forward Energy Discussion Paper, which was posted on August 3, 2009 at

<http://www.caiso.com/docs/2002/08/02/2002080216283419989.html>.

Stakeholders should use this Template to submit written comments and or suggestions. Written comments should be submitted no later than Close of Business on Monday, August 10, 2009 to: [csnay@caiso.com](mailto:csnay@caiso.com). Comments will be posted on the CAISO website.

The subject areas upon which CAISO seeks stakeholder input are:

**The purpose of 4537 is to assess a GMC charge for the net energy purchases/sales that ISO makes on behalf of market participants in the forward market. Entities that purchase/sell energy themselves bilaterally to balance their portfolios and conduct ISTs should not be assessed the 4537 charge since CAISO is not purchasing or selling energy for these entities. In addition, throughout the MRTU process, Western has continually raised the Transmission Exchange Agreement (TEA) as an issue with the CAISO and issues with the scheduling of Western's capacity rights under the TEA have not been resolved by the CAISO. Western was told by the CAISO that they were committed to fixing its software related- issues before the end of calendar year 2005. As of today the CAISO has failed in complying with that commitment. As a result, Western has no alternative but to continue to schedule its TEA transactions in the manner which has previously been agreed to by the parties. Section 7.4 of the Transmission Exchange Agreement (TEA) states the " only charges that may be imposed upon the Western Capacity by the CAISO, either directly or indirectly, whether in existence as of the Effective Date of this Agreement or created in the future, are for Ancillary Services and losses, and only to the extent that such services and losses are not self-provided by Western." Any options other than the one Western has indicated would further violate our contractual rights.**

1. Which of the options listed in the whitepaper as a potential change to the structure of the Market Usage Forward Energy GMC Charge Code do you support?

**Western entered into many Forward Purchase contracts prior to the MRTU to meet its' load requirements within the CAISO. These contracts were for energy deliveries where they turned into financial transactions under MRTU. To remove the intent of our Forward Purchases to meet our load requirements is punitive. In addition to the**

impact of our Forward Purchase contracts, the CAISO has been unable to provide Western with its' full contractual rights since 2005 on the PACi. Western is forced to use ISTs to settle usage of the PACi imports to our loads, so removal of ISTs for Market Usage, along with other excessive GMC charges, would further violate our contractual rights.

Therefore, we support the approach of "Do nothing and leave the design as it is". Western believes that any changes of a specific GMC rate must be considered comprehensively with the overall GMC collections in order to avoid cost shifting. The CAISO recommended options will likely result cost shifting among the SCs.

CAISO stated that "there are many SCs that do not agree with the current structure of the charge code." Western represents a total 17 scheduling coordinators and the following 7 would be adversely impacted with a change to the GMC: WDOE, WFLS, WNAS, WPAC, WPUL, WSLW, and WTRN.

2. If none of the options presented in the whitepaper are supported, do you have an alternative proposal?

One alternative for CAISO to consider is to introduce a flag in the IST schedule that is controlled by SC. Only if the flag is enabled, will CAISO include the IST schedules in the net usage calculation.