

Stakeholder Comments Template

Subject: GMC Charge Code 4537 – Market Usage Forward Energy Final Proposal

Submitted by (Name and phone number)	Company or Entity	Date Submitted
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CAISO seeks written stakeholder comments on its GMC Charge Code 4537 – Market Usage Forward Energy Final Proposal, which was posted on October 2, 2009 at <http://www.caiso.com/2417/2417891c4ad50.html>

Stakeholders should use this Template to submit written comments. Written comments should be submitted no later than Close of Business on Monday, October 12, 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 final proposal to change the market usage forward energy charge calculation to:

Max [abs(Generation+Imports),abs(Load+Exports)]

WPTF supports the CAISO's MUFE proposal as a transitional compromise, and WPTF understands the benefits of such a compromise in easing the cost impact of moving to a more cost-causation based allocation. In fact, in prior comments, WPTF provided a list of the possible benefits of using a transitional rate design. However, it is unclear from the CAISO's proposal that the proposed rate design accomplishes those transitional objectives. First and foremost, absent a clear timetable for attaining a cost-based end state (that is, a rate based on gross quantities), there is a lack of certainty that the proposed rate will indeed be transitional. Secondly, even assuming the proposal would actually result in the hoped-for transition, we believe that waiting until 2011 to complete the transition is far too long to knowingly accept a rate that is acknowledged to not be based on cost. The CAISO should modify its proposal to explicitly indicate that the ultimate rate will be one based on cost causation (namely gross allocation) and that the CAISO should further consider a shorter transitional period to provide short-run certainty in the termination date.