

Agenda
2004 GMC Rate Structure Project
Conference Call
Wednesday, August 6, 2003
1:30 p.m. to 3:00 p.m.
Conference Call-in #1-888-788-6681 Passcode: 98563

1. Introductions/roll call
2. Discussion of ISO gross and net load
3. Discussion of diversification factor
4. Discussion of Edison proposal (continued)
5. Discussion of ISO information request

Notes to the conference call and a list of parties on the call follow:

Notes

The meeting began with SDG&E asking MID which of its two options, A or B, were chosen as the preferred method. MID had chosen option B, which did not include a demand charge on Managing Transmission Imbalances.

The ISO described the Board directives from the July 24th Board meeting. The exact timing of the distribution of the ISO report to the Board and the Board or Finance Committee was uncertain, though August 15th had been mentioned as a possible day.

The ISO had distributed a response to some questions that Karen Shea (CPUC) had asked on the August 1st conference call. The ISO attempted to briefly summarize the response, as it was believed that other parties might also have had similar questions. The CPUC pointed out that it was incumbent on the ISO to estimate behind the meter load of governmental entities as a matter of consistency.

There was a long discussion on what method the ISO currently employs in estimation of gross load and what the ISO proposes to do under its proposed rate structure. This discussion also included a recounting of the FERC Opinion N. 463.

At this point, PG&E pointed out that the group was straying from the subject of the call. PG&E asked some clarifying questions about the information request that the ISO sent out on August 1st. It was decided that question 1, definition of the distribution system, was not relevant as the Edison proposal used ISO control as the “bright-line” test. PG&E said that there was some confusion over how to implement the Edison method.

SDG&E pointed out that it might not have the information at the bus necessary to net load at individual bus. SDG&E suggested that generation be netted against load at the bus level, not the individual bus, so long as there was sufficient distribution level load. They argued that without meters, one could not determine the flows and that the simplest method was to assume that 100 percent of the generation was consumed at the bus.

CDWR added that it was important to know how much distribution level load is netted.

CMUA asked if PG&E had done a more refined estimate of its “grid demand.” PG&E had done very preliminary work and the range of estimates was 3 to 9 percent. David Cohen asked why PG&E had so much behind the meter load now that most of the Interconnection Agreements had expired. PG&E did not have that information at this time.

Edison explained that only generation owned by Edison or under contract to Edison could be used to net against load. A SC’s generation sold directly onto the grid could not be used.

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CMUA asked how this information could be verified. Edison replied that all the information that it used was of “settlement quality,” and could be verified with information that the ISO already had. Some of the information should be in the ISO’s power flow model. All SCs should provide data that the ISO could verify.

SDG&E brought up the issue of confidentiality of certain QF data. They were concerned that they were not allowed to reveal individual account data. Neither PG&E nor Edison were as concerned as SDG&E on this point.

There was some concern over the level of detail needed to respond to the ISO’s information request. The ISO stated that there were two issues. The first was providing information for purposes of the report. This information need not be as detailed as specified in the information request given that only a few days remained before the information was due to the ISO. The second was a longer term issue of verifiability of the information if the Board chose the Edison definition of “grid demand.”

There was discussion of what information was needed from the municipal utilities. The Southern California municipals typically had remote generation so that they would not be able to “net” this generation with local load. CMUA asked if the MSS could net its internal generation against load. It was pointed out that to the extent that the generation was behind an ISO meter and the load was behind the same meter, then netting could be done. However, if the generation exceeded that load, the excess generation could not be used to net load beyond the “citygate.” This raised the issue of the consistency of Edison’s proposal with the MSS agreements.

At the end of the conference call, the CPUC again brought up the issue of estimation of behind the meter load of unmetered governmental entities. The CPUC stated that it was significant and material and that the ISO needed to properly frame this issue for the Board.

A next conference call was not scheduled.

California ISO
2004 GMC Rate Structure Project
Contact List for August 6, 2003 conference call

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