



**Lodi Energy Center Project Participant Committee
Staff Report**

AGENDA ITEM NO.: 10

Date: February 7, 2017

Meeting Date: February 13, 2017

To: Lodi Energy Center Project Participant Committee

Subject: Revision to Exhibit 5 of PMOA Agreement Schedule 1.00

Proposal

Adopt revision of PMOA Exhibit 5 of Schedule 1.00 for revised 2017 CAISO Grid Management Charge (GMC) rates related to the Market Services and System Operation Charge.

Background

The CAISO recovers its cost through allocation among three defined service categories that are billed based on five different grid management charges and fees assessed to market participants. The CAISO completed its 2017 budget stakeholder process based on a slightly higher 2017 revenue requirement. Two GMC rates were adjusted to account for the revised budgeted costs indicated in the table below. These revised annual GMC rates became effective on January 1, 2017.

Charge Code	CAISO GMC Charge Code Name	2016 Rate	2017 Rate	Change	Unit of Measure
4560	GMC - Market Services Charge	\$0.0850	\$0.0854	\$0.0004	Awarded Schedules (MWh)
4561	GMC - System Operation Charge	\$0.2979	\$0.3025	\$0.0046	Metered Energy (MWh)
		<u>\$0.3829</u>	<u>\$0.3879</u>	<u>\$0.0050</u>	

The LEC Project is assessed the market services charge based on awarded CAISO energy and ancillary service schedules, while the system operations charge applies based on LEC metered energy. NCPA includes these GMC rates into the Economic Operations bid calculation indicated in Agreement Schedule 1.00 under the defined term 'CAISO GMC' in order to internalize these costs in the awarded energy bid amount.

Fiscal Impact

There is no fiscal impact on an overall basis to Participants as these costs will be included in the Economic Operations bid calculation in order to internalize these CAISO GMC costs.

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Recommendation

NCPA staff recommends that the PPC pass a motion authorizing adopting the revised PMOA Exhibit 5 of Schedule 1.00 for revised 2017 CAISO Grid Management Charge (GMC) rates.

ROBERT W. CARACRISTI
Manager, Information Services
and Power Settlements

Attachment: (1)

- Red-lined version of PMOA Exhibit 5 Schedule 1.00

EXHIBIT 5

CAISO Charges

The CAISO Charges component used to determine Economic Operations is calculated as shown in the table below:

Market Charge Code	CAISO Charge Code Name	Rate	Unit of Measure
4560	GMC - Market Services Charge	\$ 0.08500 <u>0.0854</u>	per MWh
4561	GMC - System Operation Charge	\$ 0.29790 <u>0.3025</u>	per MWh
Total GMC Amount		\$ <u><u>0.38290.3879</u></u>	-per MWh

Schedule 1.00 Exhibit 5
LEC Project Management and Operations Agreement
PPC Approved 1-11-2016
Effective 1-1-2016