



California ISO

2025 Budget and Grid Management Charge Development Process

Initial Stakeholder Meeting
August 6, 2024

Reminders and Opening Remarks

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO permission.
- If you need technical assistance during the meeting, please send a chat to the event producer.
- Thank you for joining us, and we look forward to an engaging discussion.

Instructions for raising your hand to ask a question

- Open the Participant and Chat panels from the bottom right.
- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon 🙋 located on the bottom of your screen.
 - **Note:** *3 only works if you dialed into the meeting.
 - Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to Brenda Corona or to all panelists.

Agenda

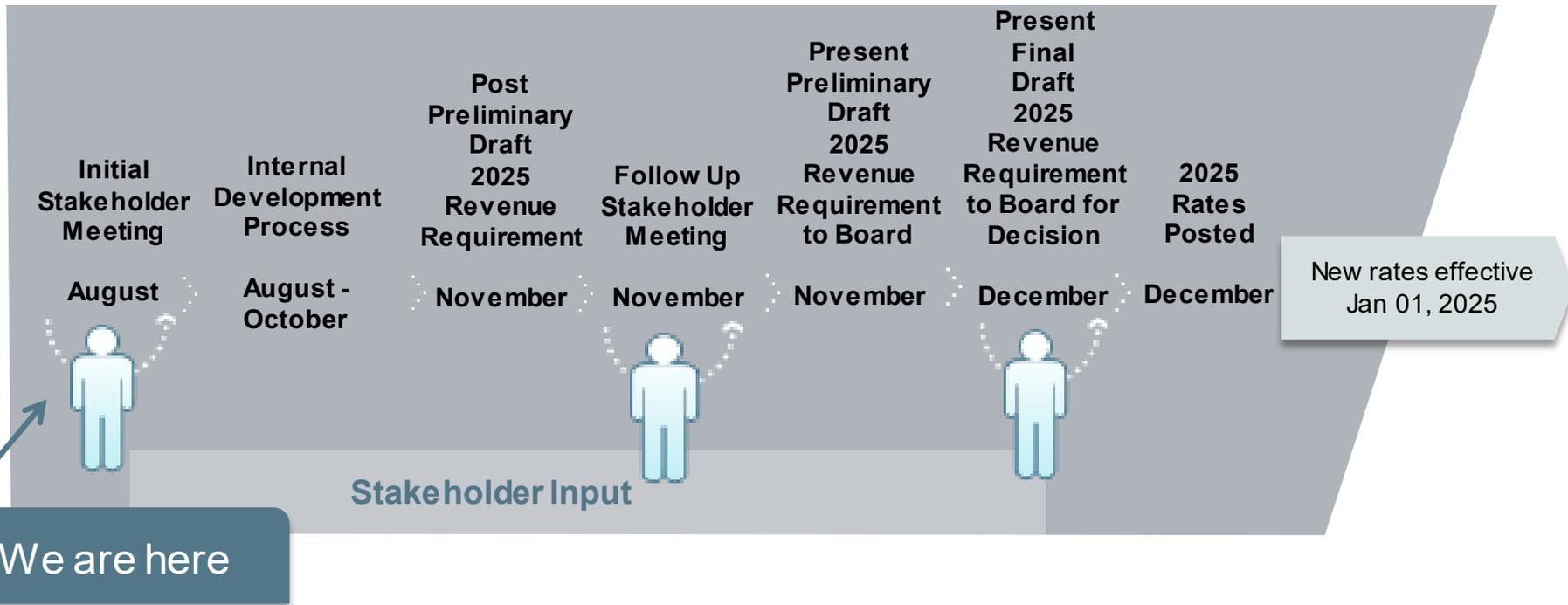
Topic	Presenters
Welcome and Introductions	Brenda Corona
GMC Revenue Requirement and Rates Process	April Gordon
Managing Employee Compensation	Lisa Johnson
Project Release Plans	Ken Kasparian
Project Summaries	Jan Cogdill
Financial Summaries	Denise Walsh
Calendar & Next Steps	Thomas Setliff
Stakeholder Feedback & Discussion	Group

April Gordon

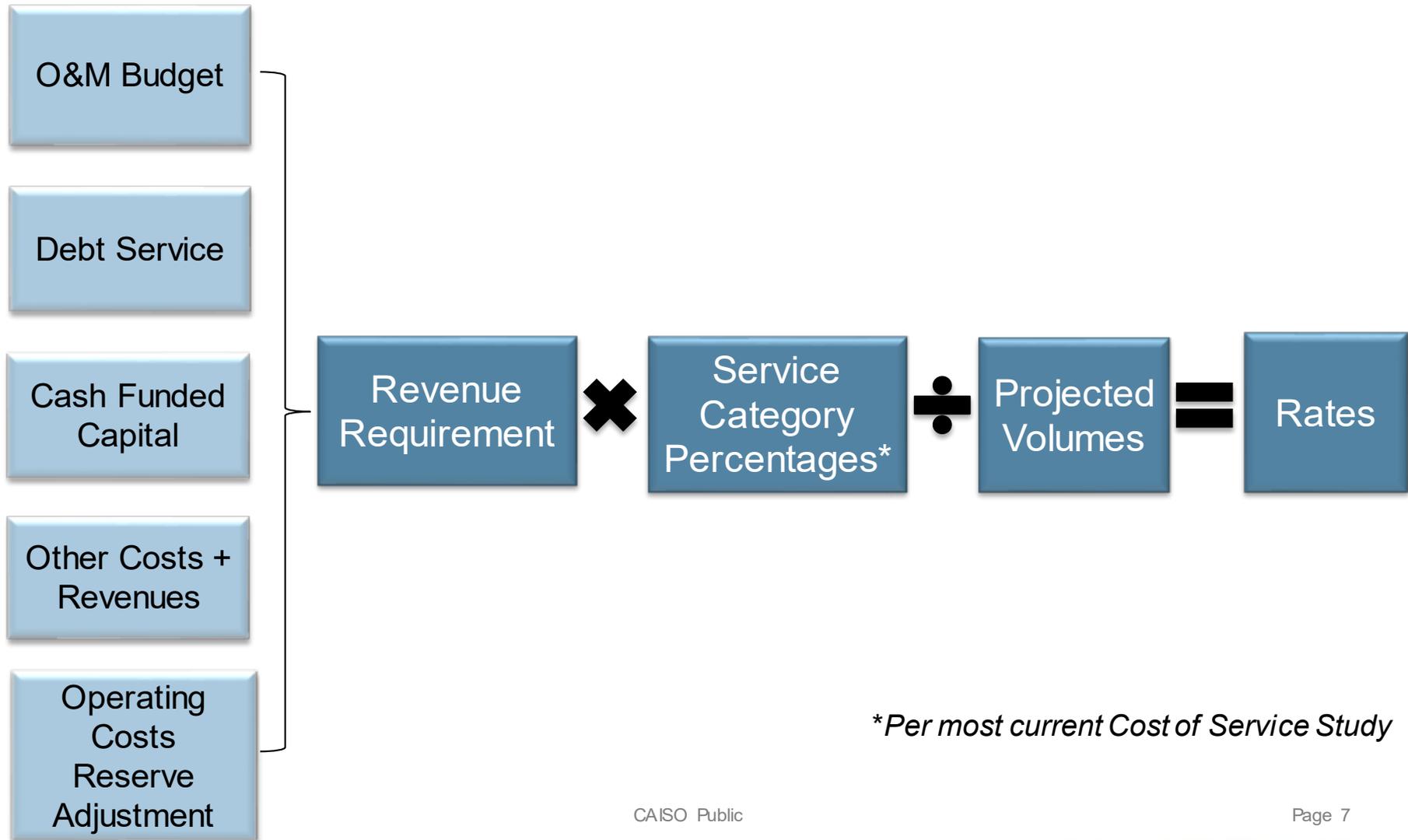
Executive Director, Financial Planning and Procurement

GMC REVENUE REQUIREMENT AND RATES PROCESS

2025 GMC Revenue Requirement and Rates Development Timeline

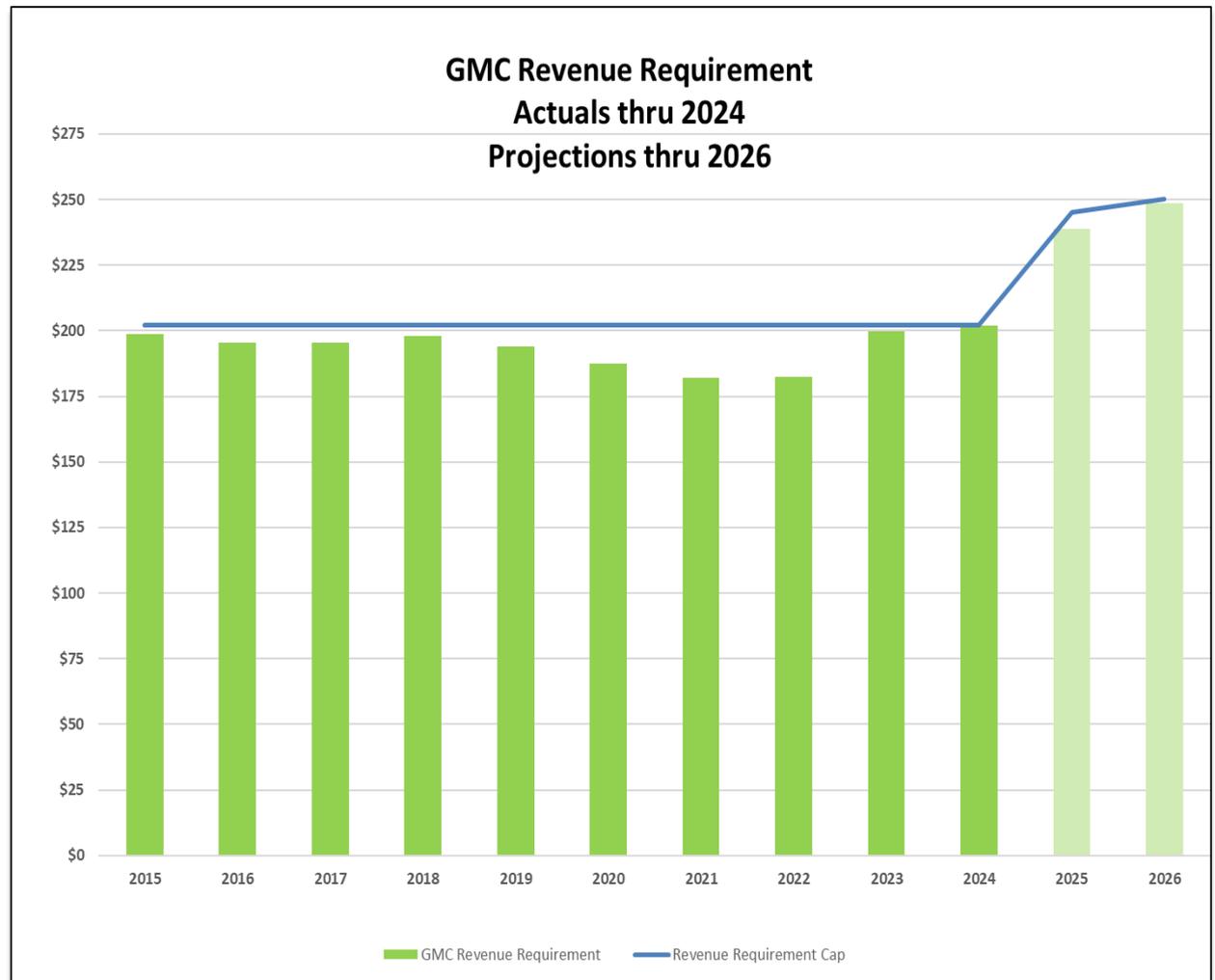


GMC Revenue Requirement Components



Budgeting Principles

- Align with ISO Strategic Plan
- Maintain Fiscal Discipline
- Encourage Collaboration
- Provide Transparency
- Remain under RR Cap



Align Revenue Requirement with the 2022 – 2026 Strategic Plan

Our vision is to operate the world's most reliable, cost-effective and environmentally sustainable power system.

Critical strategic and tactical objectives involve:

1. Integration
2. Long-term transmission planning
3. Foundation
4. Stakeholder engagement and customer service
5. Highly skilled and engaged workforce

Lisa Johnson

Sr. Manager, Total Rewards

MANAGING EMPLOYEE COMPENSATION

Managing employee compensation reflects ISO philosophy to attract, train, motivate and retain top talent.

- **Competitive Pay**
 - Best practices for market-based pay
 - Bi-annual salary surveys covering 100% of ISO positions
- **Pay for Performance Philosophy**
 - Board approved Company goals cascaded and tailored to individual employees
 - Set high performance goals aligned with Company goals
 - Year-end evaluation of performance results against Company and individual goals
 - Employee merit and promotion salary increases based on performance and in alignment with budget
- **Strong Performance Management Program**
 - Individual performance plans
 - Core Responsibilities and Stretch objectives
 - Ongoing feedback, coaching and support

Ken Kasparian

Strategic Portfolio Manager, Enterprise Program Management Office

PROJECT RELEASE PLANS

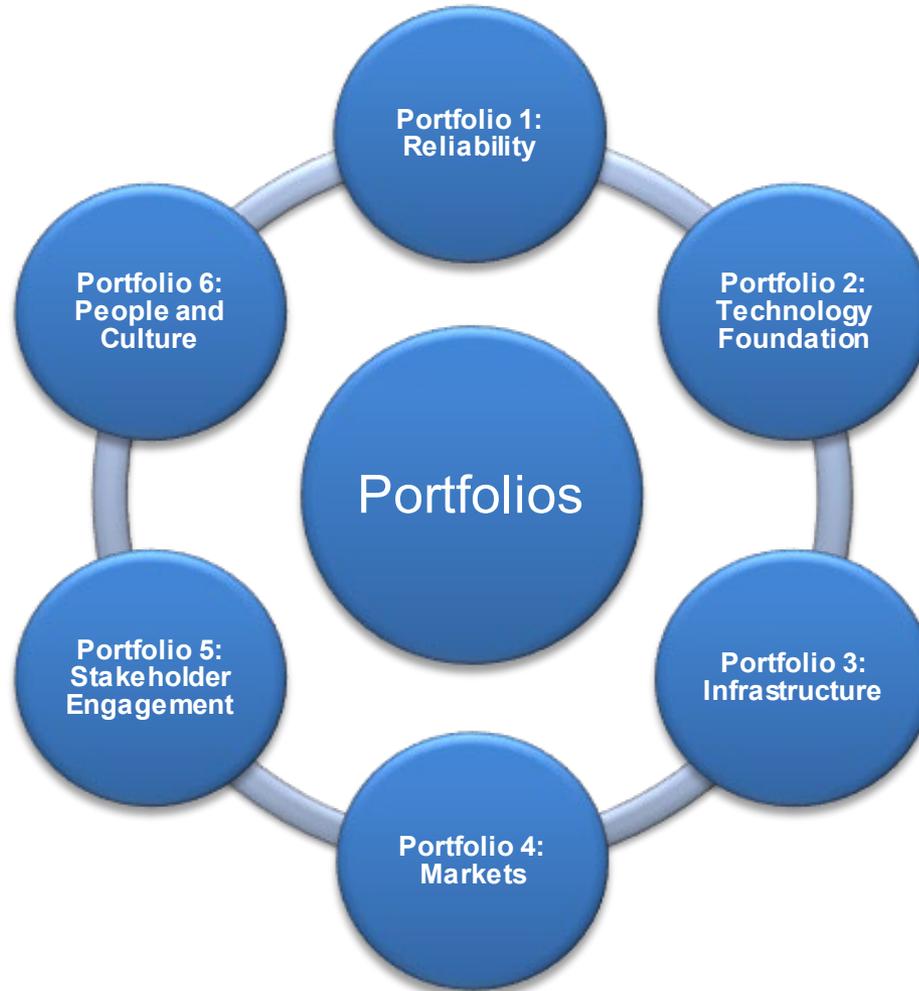
2025 Portfolio Planning

Over the next 3 months the CAISO leadership is working to review and update the Release Plan through early 2026.

Key activities include:

1. Identify potential 2025 capital project list
2. Evaluate the list against budget & resource constraints
3. Finalize the Enterprise Roadmap
4. Update External Release Plan & Policy Roadmap

Portfolio's Organized by Strategic Plan Objectives



Project Release Planning Engagement Opportunities

Stay Informed > Release Planning

- <http://www.caiso.com/informed/Pages/ReleasePlanning/Default.aspx>
- Information is updated and discussed regularly throughout the year
- **Plans and schedules**
 - **Release Schedule**
 - <http://www.caiso.com/Documents/ReleaseSchedule.pdf>
 - Updated monthly
 - **Implementation Milestones**
 - <http://www.caiso.com/Documents/ImplementationMilestones.xlsx>
 - Updated monthly
 - Multi-year time horizon

Project Release Planning Engagement Opportunities

Stay Informed > Meetings and events

> User groups and recurring meetings

- <http://www.caiso.com/informed/Pages/MeetingsEvents/UserGroupsRecurringMeetings/Default.aspx>
- **Market Performance and Planning Forum**
 - Quarterly forum that engages stakeholders in review of market performance issues and in high level dialogue on release planning, implementation and new market enhancements.
- **Release Users Group**
 - Biweekly forum for market initiatives to discuss project milestones and deliverables. Projects are managed through the Master Stakeholder Engagement Plan and follow a standard project lifecycle. Major releases occur twice a year with monthly releases for smaller enhancements.

Current Release Plan Summary

* Indicates Policy Initiative

Independent 2024 Releases

- Advisory Shutdown Flag Data
- Price Formation Enhancements – Rules for Bidding Above Soft Offer Cap (FERC831)*
- Application Delivery Resiliency – URL & IP Changes (& AUP Changes)
- Highest Emergency Rating
- Transmission Service & Market Scheduling Priorities Phase 2 – Resale Scope*
- Transmission Exchange Agreement
- FERC 2222 – Distributed Curtailment Resources
- Congestion Revenue Rights System Upgrade
- Hybrid Resources Phase 2C – RIMS*
- FERC 881 – Managing Transmission Line Ratings Track 2 – Operational/EMS Model Data & Applications*

Spring 2026 Release

- Day-Ahead Market Enhancements Activation*
- Extended Day-Ahead Market Activation*
- EDAM ISO BAA Participation Rules Track A*
- EDAM Onboarding Pacificorp, BANC, PGE
- WEIM BHE Montana*

Future Release

- Subscriber Participating Transmission Owner Model*
- Settlement Upgrade Project

Jan Cogdill
Lead Financial Planning

PROJECT SUMMARIES

Capital and Project Budgets

- **2024 Project Budget**
 - Approved at \$25M
 - Additional approval for EDAM and DAME Projects \$15.2M

- **2025 Project Budget**
 - Targeted at \$25M
 - At least 29 proposed projects will be prioritized to meet final budget limit

Summary of Completed Projects and Active Projects

- **Completed projects from July 2023 to June 2024**
 - **16 Capital Projects**
 - Budgeted costs \$13.5M, actual costs \$13.2M
 - **17 Requirements and Other Projects**
 - Budgeted costs \$3.4M, actual costs \$3.3M
- **Active projects as of June 30, 2024**
 - **24 Capital Projects**
 - Budgeted costs \$73.7M, PTD* costs \$27.3M
 - **34 Requirements & Other Projects**
 - Budgeted costs \$16M, PTD* costs \$8.4M

*PTD = Period to date

Denise Walsh
Controller

FINANCIAL SUMMARIES

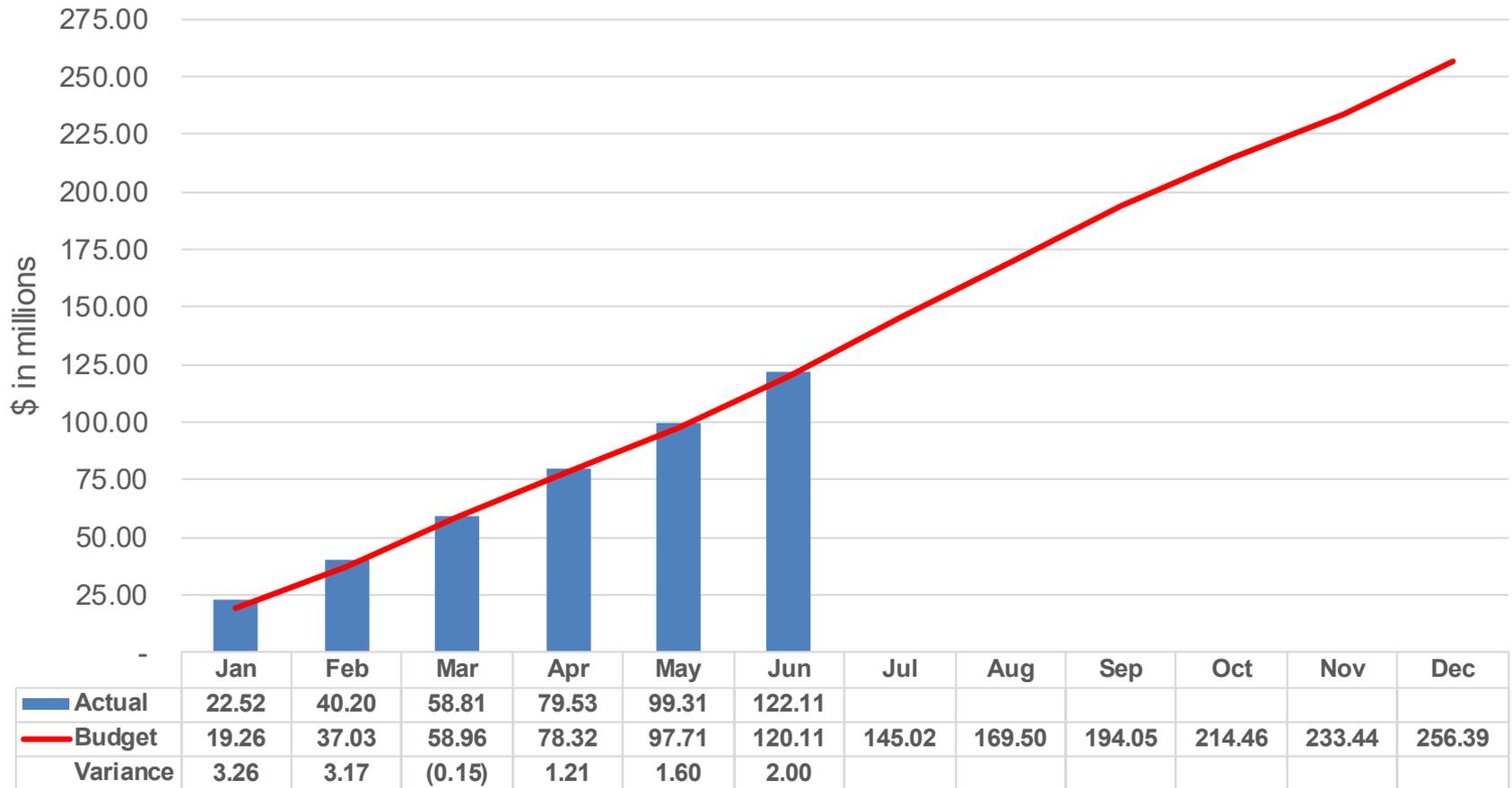
Key Components of the Audited 2023 Financial Statements

Changes in Net Position:

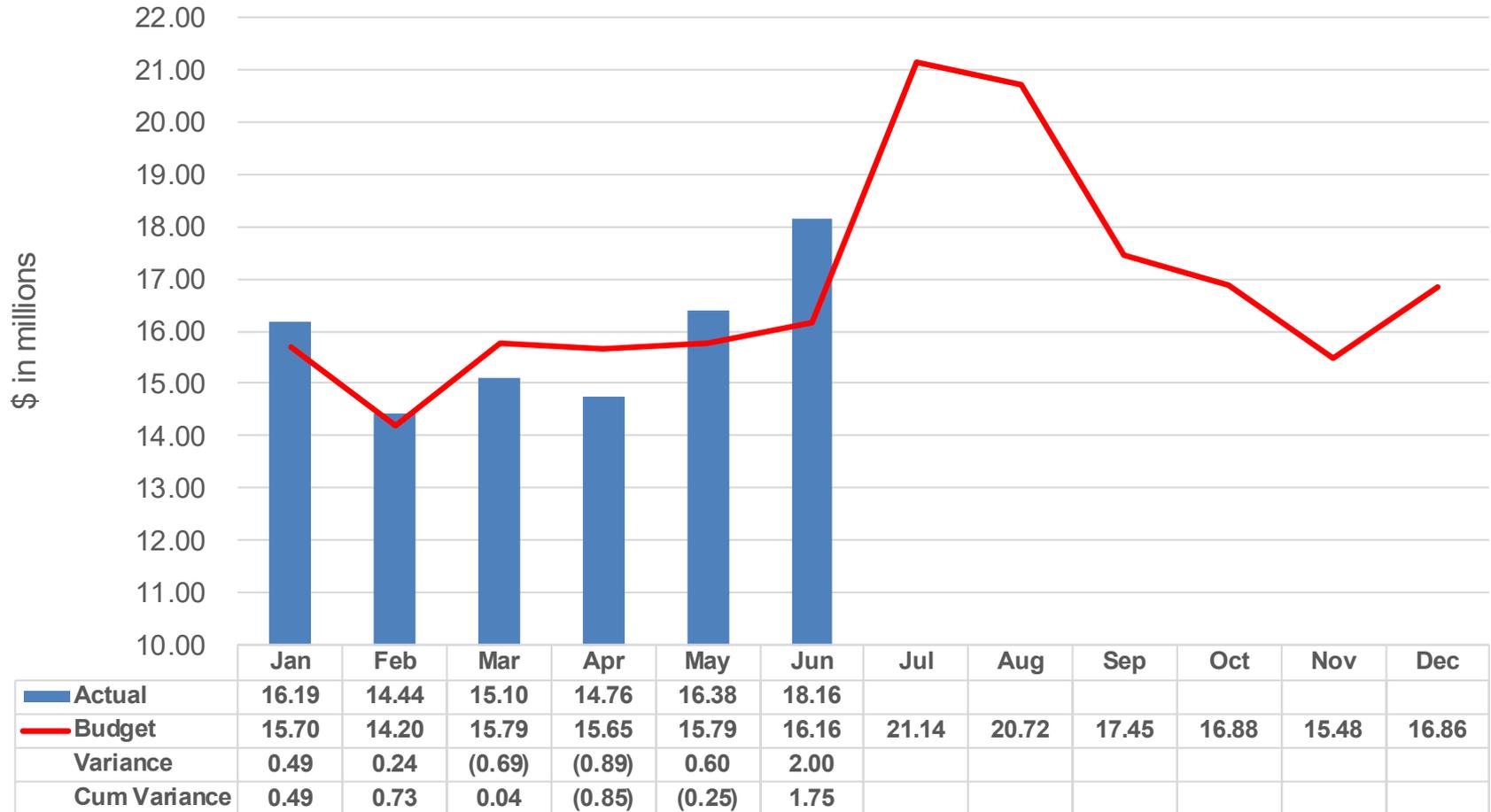
- **Operating Revenues**
 - Finished the year under budget
 - Lower GMC revenues as well as lower miscellaneous revenues
 - Metered Sub-Systems (MSS) adjustment
- **Operating Expenses**
 - Finished the year under budget
 - Lower salaries/benefits, outside legal and training/travel spend
- **Other Income (Losses) from Investments / (Debt Expenses)**
 - Higher interest income driven by unrealized gains

Thru Q2-2024 Cumulative Operating Revenues

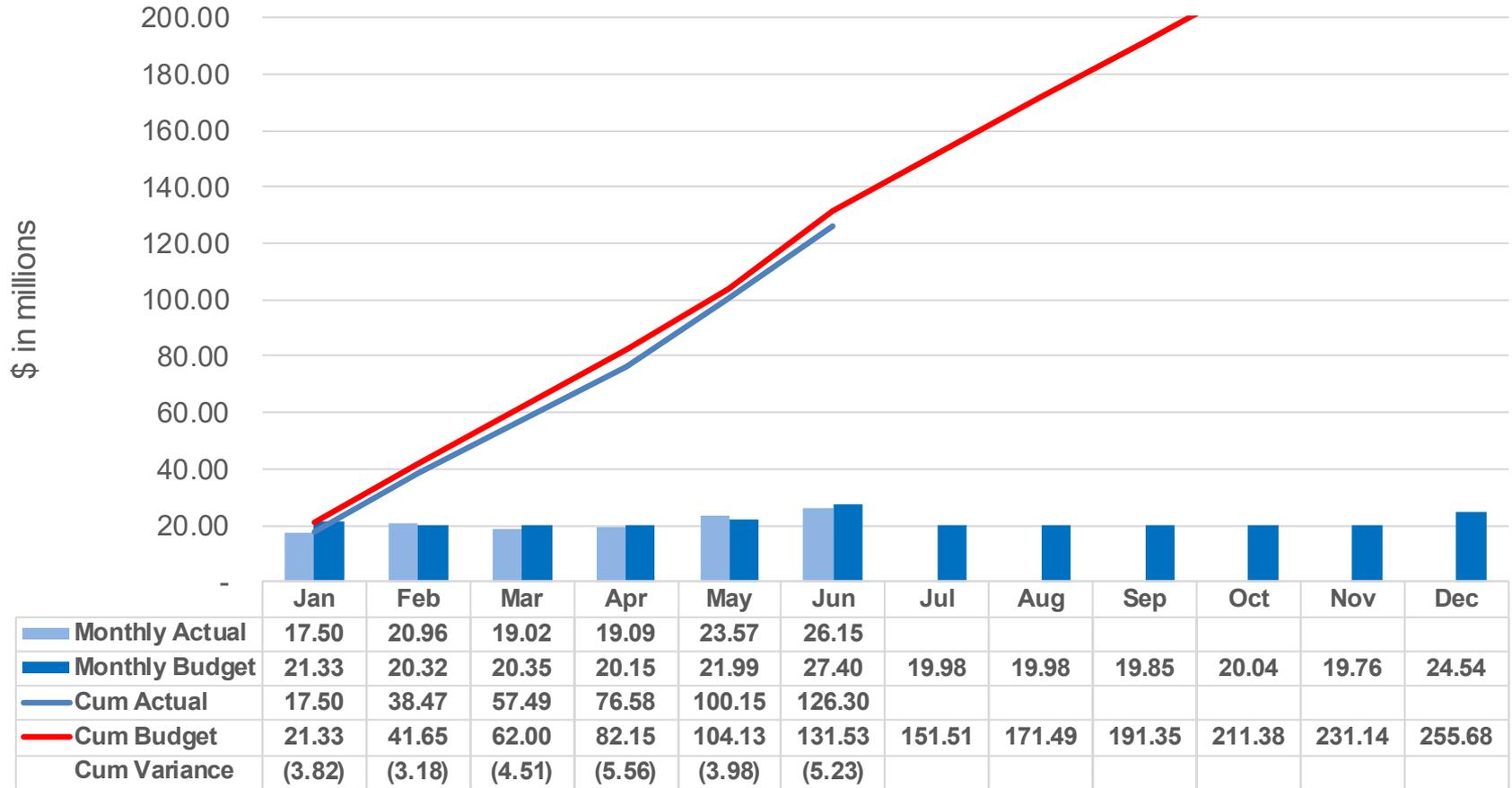
Revenues = GMC & Other Revenues



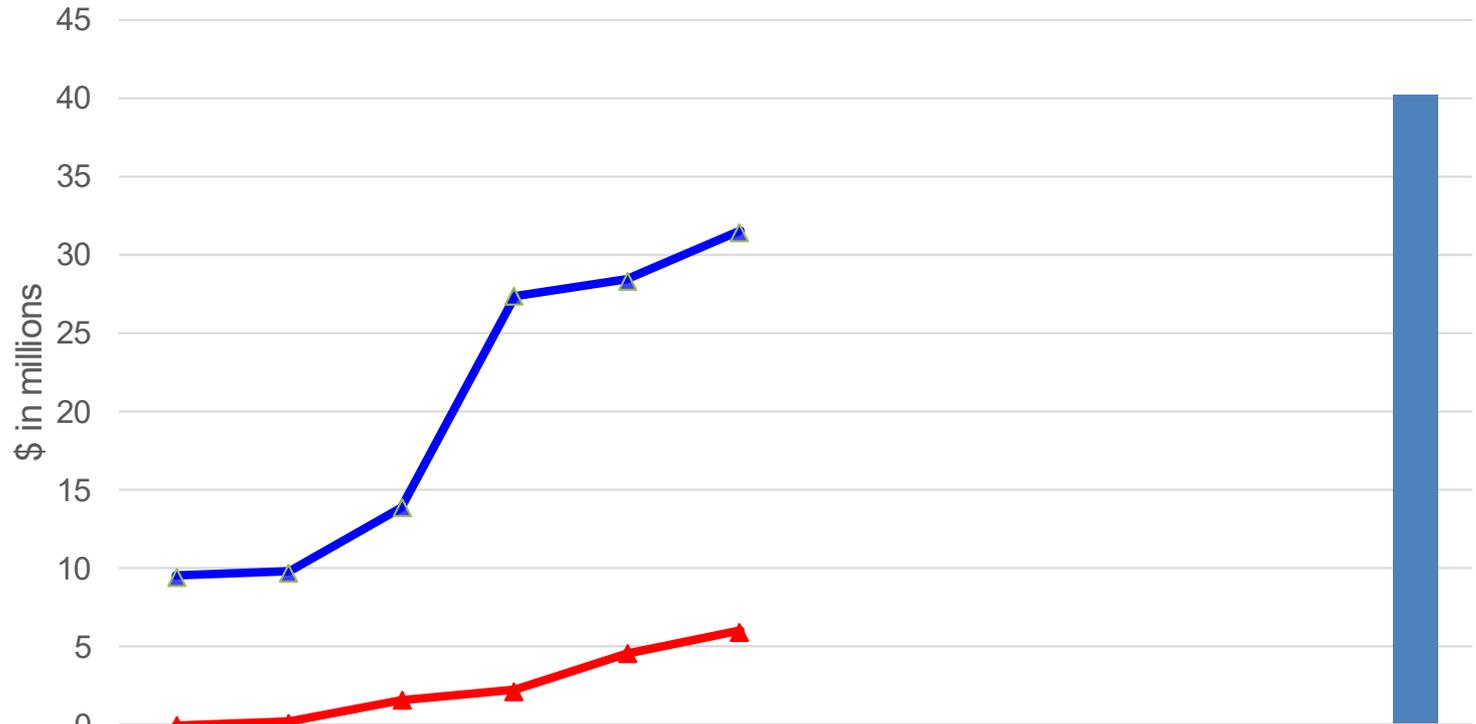
Thru Q2-2024 GMC Revenues



Thru Q2-2024 Operations and Maintenance Expenses



Thru Q2-2024 Cumulative Capital Expenditures



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Budgeted Capital												40.2
Cum Expenditures	0.01	0.2	1.6	2.2	4.6	6						
Approved Projects	9.5	9.8	13.9	27.4	28.4	31.5						

Thomas Setliff
Manager, Financial Planning and Analysis

CALENDAR AND NEXT STEPS

Key Calendar Dates* and Next Steps

- Internal development process Aug – Oct
- Stakeholder comments due Aug 13
 - ISO responses to stakeholder comments posted Aug 20
- Post preliminary draft Revenue Requirement Nov 1
- Stakeholder call to discuss draft Revenue Requirement Nov 5
 - Written stakeholder comments due to ISO Nov 12
 - ISO responses to stakeholder comments posted Nov 19
- Board of Governors meeting (executive session) Nov 7
- Board of Governors meeting (general session) Dec 18
 - Public comments to board on final draft Revenue Requirement
 - Request approval of final draft Revenue Requirement
- Post Revenue Requirement and Rates to ISO website Dec 20

*Dates are subject to change

Stakeholder Feedback and Discussion

- Comments are due by end of day August 13th.
 - Please submit your comments using the comment template available on the process webpage (linked below).
- Questions? Please email ISOStakeholderAffairs@caiso.com
- Additional information on this process is available on the ISO website at [California ISO - Budget and grid management charge process - 2025 \(caiso.com\)](#)

THANK YOU

CAISO Public



Save the Date - Resource Interconnection Standards Fair on 9/17/24

The objective of this educational forum is to provide stakeholders with an opportunity to learn more about the ISO's [interconnection process](#) and recent changes affecting Cluster 15. If you plan to attend the meeting in person, please [register](#) by end of day Sept. 13, 2024.

The forum will include a series of presentations and discussions that outline the interconnection requirements for a new resource to connect to the ISO grid. Presentations will cover topics such as submitting an interconnection request application and declaration of commercial operation.

The following stakeholders are encouraged to participate:

- Submitted an interconnection request application for Cluster 15
- New and existing interconnection customers
- Regulatory agencies
- Consultants
- Trade associations
- Participating Transmission Owners

Stakeholders are invited to submit questions in advance to be addressed during the meeting. Please send questions to isostakeholderaffairs@caiso.com.

The final agenda and presentations will be posted prior on the [meetings webpage](#).



REGISTRATION IS OPEN

2024 STAKEHOLDER SYMPOSIUM

Welcome reception - Oct. 29
at Kimpton Sawyer Hotel, Sacramento, CA

Symposium program - Oct. 30
SAFE Credit Union Convention Center
Sacramento, CA

Visit the event website: www.reg.eventmobi.com/2024stakeholdersymposium

SPONSORSHIP OPPORTUNITIES AVAILABLE

ENERGY matters

The California ISO's blog highlights its most recent news releases, and includes information about ISO issues, reports, and initiatives.



Energy Matters blog provides timely insights into ISO grid and market operations as well as other industry-related news.

<https://www.caiso.com/about/news/energy-matters-blog>



Story | Transmission

The ISO posts an updated 20-Year Transmission Outlook

By: Neil Millar

07/31/2024



Story | Transmission

A new Energy Matters Conversations podcast spotlights changes to the ISO's interconnections process

07/29/2024



Story | Operations

RC West – Reliability Coordinator for much of the West

By: Tim Beach

07/25/2024

Subscribe to [Energy Matters blog monthly summary](#)

New Policy Initiatives Timeline

The California ISO has launched the Policy Initiatives Timeline to offer stakeholders a concise overview of ongoing policy initiatives. At a glance, it offers a snapshot view of key details such as the status of each initiative, projected timelines, and the current phase of the stakeholder engagement process. Updates to this timeline will be made weekly and posted on the [policy initiatives landing page](#). For more information, stakeholders are encouraged to reach out to ISOStakeholderAffairs@caiso.com.