



**Imperial Irrigation District
Narrative Explanation of
Practices for Reevaluating
Capacity Benefit Margin (“CBM”) Needs
June 24, 2008**

1. Capacity Benefit Margin (CBM) - CBM is determined consistent with Attachment C to the IID Open Access Transmission Tariff (OATT), the WECC ATC Determination Standards, and NERC Compliance Standards.
2. IID does not currently reserve transmission for CBM. IID Energy Resource Management Group will review the need for CBM on a yearly basis.
3. If the need to reserve CBM arises in the future the IID Energy Resource Management Group and current designated load serving entities within the IID service territory will perform their assessment of CBM needs as the provider of generation resources to the IID Transmission Reliability group Control Area for service of Native Load. These assessments will be forwarded to the IID Transmission Reliability group for evaluation of the availability of CBM and the assignment of ATC as CBM for the LSE. The IID Transmission Reliability Group will receive the assessment of CBM requirements no later than November 1 of each year in compliance with applicable NERC developmental standards.
4. Upon completion of the NERC Standard development process related to CBM and the NAESB Business Practice process related to CBM, IID will re-evaluate its method for determining CBM and update this posting.

Effective Date: June 24, 2008

