

From: theinkstainedwretch@gmail.com [mailto:theinkstainedwretch@gmail.com] **On Behalf Of** Amy Allen
Sent: Thursday, June 30, 2016 1:16 PM
To: Initiative Comments <InitiativeComments@caiso.com>
Cc: daryl@dynamicgridcouncil.com; Sara Greenwald <anderson.greenwald@att.net>; Lisa Altieri <laltieri12@gmail.com>
Subject: Comments on TAC Issue Paper

< EXTERNAL email. Evaluate before clicking. >

Dear Sir or Madam,

Currently the ISO assigns a transmission access charge (TAC) to each MWh of power provided. Power provided to customers is measured as the *sum of* end-use metered load (EUML) *in the service area* of each participating transmission owner. The key point is that the current system charges the transmission fee for distributed generation (DG) sources, which connect directly to the distribution grid and do not rely on the transmission system.

Clean Coalition proposes that the TAC be based on the hourly energy flow *from the transmission system to the distribution system*, that is, down from large power plants through the transmission system. With this clear and simple solution, utilities pay transmission access charges in proportion to the amount of energy they pull from the transmission grid.

At present, there is no reason for anxiety that this could result in unfair rate increases for residential customers in areas with less DG. The difference to individual utility customers, particularly residential households, from the change is very small. The benefits of the proposed change result from the size of the power utilities involved and the sensitivity of their purchasing strategies to very small changes in the energy market. A need for fewer power plants because of DG, on the other hand, is a saving distributed to all customers.

Power that does not come over the utility's transmission system should not be included in the transmission fees. Customers must be charged only for their usage. This Usage Pays principle is established by the Federal Energy Regulatory Commission Order 1000 as well as in the original TAC design.

In addition, the current system discourages utilities from using DG sources. Because reduced impact on the transmission system is not counted in the price, the utilities value it at zero. Including the difference in transmission system use in the calculation is simply a matter of giving that charge its correct value.

Clean Coalition also proposes that as high-voltage power is transformed to lower voltage for distribution to customers, the cost of high and super-high voltage power should be measured at the transmission station for high-voltage, and the distribution station for low-voltage power. In this way, the cost of new high/super-high voltage facilities can be distributed among users that actually benefit from them, not users who help avoid the need for more high/super-high voltage facilities. The potential savings for consumers are

enormous. For example, increased utilization of distributed energy resources such as rooftop solar has already resulted in PG&E canceling \$190 million worth of low-voltage transmission upgrades in the 2015–2016 transmission planning process.

It has been observed that the need for new transmission capacity is often driven by peak load rather than total load. There have been suggestions DG should be exempted from transmission access charges based on how much the DG reduces peak load, rather than based on the total volume of DG production. Charging more for power used at peak load is a good idea, but the system of transmission access charges does not include any peak-load component now, and adding one would be a much more complex process than the correction proposed. The corrected system could in future be adjusted to account for peak load times. This is not urgent since DG sources, particularly solar, generate more at the same time that power needs (in California, largely for cooling) are greatest.

Sincerely,

Amy Allen

On Behalf of 350 Bay Area