



Stakeholder Comments Template

Transmission Access Charge Structure Enhancements: Draft Final Proposal

This template has been created for submission of stakeholder comments on the Transmission Access Charge Structure Enhancements: Draft Final Proposal that was published on September 17, 2019. The Transmission Access Charge Structure Enhancements, Stakeholder Meeting presentation, and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/TransmissionAccessChargeStructureEnhancements.aspx>

Submitted by	Organization	Date Submitted
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Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **October 9, 2019**.

Please provide your organization's comments on the following issues and questions.

Hybrid Billing Determinant Proposal

Please state your organization's position on the Hybrid Billing Determinant Proposal as described in the Transmission Access Charge Structure Enhancements: Draft Final Proposal: (Support, support with caveats or oppose)

If you replied supports with caveats or opposes, please further explain your position and include examples:

BAMx Supports the Draft Final Proposal, but urges limited revisions

BAMx supports the hybrid billing determinant proposal to use energy and demand-based components and the gross load factor approach to allocate the HV TRR among these two components. This relatively simple approach provides both transparency of the calculation and stability and predictability of the results.

¹ BAMx consists of City of Palo Alto Utilities and City of Santa Clara, Silicon Valley Power.

BAMx Supports Use of Historical Data

BAMx supports using prior period historic peak-demand data (from October 1 through September 30), rather than forecasted data, to derive both the TRR split between the demand and volumetric rate components and the demand-based rates.

Additional comments

Please offer any other feedback your organization would like to provide on the Transmission Access Charge Structure Enhancements: Draft Final Proposal.

BAMx strongly Objects to Delaying Implementation as well as the Proposed Phase-In Period for Transitioning to the Hybrid Billing Determinant Approach

During the September 24th Stakeholder meeting, the CAISO stated that the TAC hybrid billing determinant rate structure may not be effective until 2021 or 2022 due to other higher-priority projects. BAMx believes that given the general support for this proposal among stakeholders and a well-defined rate structure, the CAISO should be able to get the CAISO Board approval in Q1 2019 for the proposed TAC hybrid billing determinant rate structure to be effective beginning of 2020. FERC should find this proposal to be just and reasonable as it meets the objectives of FERC ratemaking principles² and CAISO should ask FERC to approve it in a timely manner to be effective beginning of 2020. Given that the current volumetric rates are no longer perceived to be as just and reasonable as the proposed hybrid approach, BAMx strongly urges the CAISO to move swiftly towards obtaining CAISO Board and FERC approval of the TAC hybrid billing determinant rate structure.

Existing energy-only (volumetric) based recovery of transmission costs are no longer consistent with cost causation. The proposed two-year phase-in period for the hybrid billing determinant rate structure would only serve to continue this inequity. Arguments for a transition period to protect some entities from potential upward cost shifts are without merit, given that the parties who would be receiving higher costs³ have been enjoying nearly two decades of lower costs under the volumetric approach and given the relatively minor percentage increases in comparison to historical changes in the HV TAC rate, which has increased ~13% per year on average since 2002. The upward cost shifts resulting from the CAISO's Draft Final Proposal do not justify that long of a phase-in period, especially if the implementation is delayed. In particular, if the TAC hybrid billing determinant rate structure is made effective after 2020, BAMx recommends that it be implemented with no phased in approach. If the TAC hybrid billing determinant rate structure is made effective 2020, BAMx is open to having a single year phase-in with 25% of the TRR collected via the demand

² These principles include, TAC allocation reflecting both cost causation and benefits provided to users, which may differ from cost causation.

³ The proposed hybrid approach provided in this proposal indicates relatively small impacts to most UDCs as noted in the Draft Final Proposal.

component. Thereafter, the CAISO would begin calculating the HV-TRR bifurcation through the proposed system load factor approach 2021 onwards.

BAMx appreciates the opportunity to comment on various stages of this very important initiative and acknowledges the significant effort of the CAISO staff.