

Stakeholder Comments Template

Review TAC Structure Second Revised Straw Proposal

This template has been created for submission of stakeholder comments on the Review Transmission Access Charge (TAC) Structure Second Revised Straw Proposal that was published on June 22, 2018. The Second Revised Straw Proposal, 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/ReviewTransmissionAccessChargeStructure.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com.

Submitted by	Organization	Date Submitted
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Submissions are requested by close of business on **July 18, 2018**.

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

Hybrid billing determinant proposal

1. Does your organization support the hybrid billing determinant proposal as described in the Revised Straw Proposal?

Yes. We believe the hybrid approach as described is workable and reasonably reflects cost causation.

2. Please provide any feedback on the proposal to utilize PTO-specific FERC rate case forecasts to implement the hybrid billing determinant proposal.

For context, under the second revised straw proposal, the ISO modified the proposal to use PTO specific rate case forecasts to set the HV-TRR bifurcation and resulting HV-TAC volumetric and demand rates. Does your organization support this modification to the proposal?

Yes, assuming that the forecasts are filed with, and approved by, FERC.

- a. Please provide any feedback on the possibility that this proposal causes a need for PTO's FERC transmission rate case forecasts to be modified to include coincident hourly peak load forecasts.

The CPUC Energy Division believes that forecasts would need to be modified to the extent that they do not already include coincident peak load forecasts. For those PTOs that already use 12-CP to allocate transmission costs among their customer groups, their [annual] coincident peak forecast should be consistent with their 12-CP forecasts to the extent possible. We agree the iterative process as described in the Second Revised Straw Proposal¹ shows promise as a reasonable method for developing a PTO-specific and ISO system-wide demand 12CP rates.

- b. Does your organization believe that the use of historic data from the prior annual period could be a viable alternative for this aspect of the proposal? Please explain your response; if you believe this would be more appropriate or potentially problematic please indicate support for your position.

We agree with the ISO's concern² that use of historic data could lead to unwanted volatility.

3. Please provide any additional feedback on any other aspects of the hybrid billing determinant proposal.

The ISO may need to provide guidance to PTOs who have not previously developed ISO-coincident peak load forecasts.

Additional comments

4. Please offer any other feedback your organization would like to provide on the Review TAC Structure Second Revised Straw Proposal.

None at this time.

¹ Second Revised Straw Proposal, p. 23

² Second Revised Straw Proposal, p.16