

Transmission Access Charge Options

Issue Paper

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Calpine appreciates the opportunity to submit comments on the Issue Paper.

The Issue Paper narrowly addresses the recovery of a new PTO's transmission revenue requirement (TRR). It is a helpful overview of load-based allocations which will be critical to attaining the buy-in of non-California entities. We look forward to reviewing the opinions of new-entrant States, but largely as a generator, take no position at this time on how costs should be allocated to loads. We do strongly agree with WPTF that, regardless of how costs are allocated to loads, that the rate design should eliminate the current pancaking of charges that reduces efficiency.

However, the transmission issues that need to be addressed range far beyond those identified in the issue paper, and several assumptions appear to be embedded, but not stated in the current draft.

First, it seems that the Issue Paper assumes that all existing Network and Point-To-Point transmission service rights are converted to new service. Of course, it is the existing rights holders that currently pay the TRR. While this mass-conversion may be the case, it is equally possible that existing rights holders may wish to preserve their rights for the remaining duration of their bilateral contracts. The next iteration of this paper should expand the scope of issues to address the assumptions, conversion rights, or protections proposed for existing right-holders—an issue in which Calpine would have significant interest.

Second, PacifiCorp (or other new PTOs) may jointly own facilities – or have contractual/ownership provisions with Third Parties that must be accommodated in the new TAC design. These parties, in CAISO vernacular, would be considered either ETC (existing transmission contract) or TOR (transmission ownership rights) holders. Similar provisions for the broader ISO footprint must be identified and addressed in future iterations of this TAC review.

Thanks