

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Assess Peak
Electricity Usage Patterns and Consider
Appropriate Time Periods for Future Time-of-
Use Rates and Energy Resource Contract
Payments.

Rulemaking 15-12-012

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
ON THE PROPOSED DECISION ADOPTING POLICY GUIDELINES TO
ASSESS TIME PERIODS FOR FUTURE TIME-OF-USE RATES AND ENERGY
RESOURCE CONTRACT PAYMENTS**

Pursuant to the Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) files these comments on the *Proposed Decision Adopting Policy Guidelines to Assess Time Periods for Future Time-of-Use Rates and Energy Resource Contract Payments* issued by the Commission on November 1, 2016 (Proposed Decision).

The CAISO supports the Proposed Decision and appreciates the Commission’s efforts to harmonize time-of-use rates with system needs. The Proposed Decision provides a process by which the Commission can update time-of-use periods on a regular basis, while taking into account the rapidly changing shape of the net load curve. The Proposed Decision takes several steps toward adopting time-of-use rates that better meet system demands. Importantly, the Proposed Decision:

- Acknowledges that time-of-use peak periods have shifted later in the day;¹
- Recognizes that the net load analysis conducted by the CAISO can inform time-of-use period changes;² and
- Authorizes utilities to consider an overlay “super off-peak” time-of-use rates to address oversupply issues.³

¹ Proposed Decision, p. 29.

² *Id.*

³ Proposed Decision, p. 14.

These findings in the Proposed Decision will allow the Commission to make timely modifications to time-of-use rates that encourage customers to adjust energy usage in a manner that will benefit the grid as a whole. As such, these findings should be maintained in the final decision.

The CAISO appreciates the Commission's efforts to provide sound policy guidance on future time-of-use rates and reserves the right to file reply comments on issues germane to this proceeding.

Respectfully submitted,

By: /s/ Jordan Pinjuv

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
Anna McKenna
Assistant General Counsel
Jordan Pinjuv
Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: 916-351-4229
Fax: 916-608-7222
jpinjuv@caiso.com

Dated: November 21, 2016