

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**.

Hybrid billing determinant proposal

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

At a high level, PG&E supports the approach of using the hybrid billing determinant proposal as described in the Second Revised Straw Proposal. PG&E offers the following comments to highlight additional clarifications necessary to successfully implement such proposal.

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?

- 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.

PG&E supports using each PTO's FERC-filed transmission rate case forecast as the basis to determine both the volumetric and demand portion of the HV-TAC rate. PG&E does not currently provide an hourly demand forecast in its TO Rate Case, but is willing to modify any future TO filings to include an hourly demand forecast. However, PG&E will need time to properly implement any changes to its future TO filings.

- 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.

As stated above, PG&E believes the use of each PTO's FERC-filed transmission rate case forecasts would be the best approach. However, PG&E understands that not every PTO files an updated transmission rate case on an annual basis. PG&E is therefore open to the possibility of using historical data to determine the volumetric and demand portion of the HV-TAC rate. If the CAISO prefers a historic approach over using PTO forecasts, more analysis would be needed on the year-to-year variability of PTO-specific and system-wide load and peak profiles to ensure that using historical data doesn't result in a departure from the FERC ratemaking principles. If there is high year-to-year variability, a 3 or 5-year rolling average might be a more appropriate method.

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

PG&E requests further clarification on how the CAISO plans to use a PTO filed forecast methodology to calculate the annualized 12CP demand (in MW). Please see below for PG&E's interpretation of the proposed calculation methodology in a step-by-step manner. PG&E requests that the CAISO either confirm or correct PG&E's understanding of that process.

1. Each PTO would need to submit a forecast of 8760 hourly demand data to the CAISO.
2. The CAISO would then aggregate the PTO's load forecasts to determine the system peak for each CP period. For example, a 12CP approach would result in a forecast of 12 peak capacity numbers (in MW) representing the system peak capacity for each calendar month. Each PTO's 8760 hourly load forecast and the exact peak capacity hour of each CP are kept confidential.
3. The CAISO would then sum up the 12 CPs (in MW) to get the annualized CP demand.

Additional comments

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

PG&E supports additional analysis of different CP demand measurement frequency. For example, ORA requested additional analysis on a possible 6CP approach. PG&E would also appreciate additional analysis.