

October 26, 2016

Board of Governors  
California ISO  
250 Outcropping Way  
Folsom, CA 95630

Re: Transmission Access Charge Structure – CAISO Board of Governors Meeting – October 27, 2016

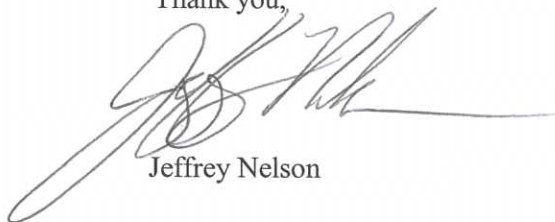
Dear Board of Governors,

SCE supports providing a sound regulatory framework to allow distributed generation and distributed resources to reach their full potential, including an examination of the design of the Transmission Access Charge (TAC). In order to accomplish such goals, SCE supports the CAISO action to move this issue to a separate stakeholder process to more broadly consider TAC billing and rate design issues, including rate design issues such as demand charges versus energy charges.

SCE had concerns with the specific Clean Coalition proposal to assess the TAC based on net distribution system load (Transmission Energy Downflow, or TED). In SCE's assessment, the proposal was inconsistent with FERC policy for the treatment of end-use metered load ("EUML") and did not properly recognize benefits such customers receive from use of the transmission grid.

Future revisions to the TAC should treat all customers in an equitable manner, should strive to limit inappropriate cost shifts among customers, and should support behavior consistent with California policy goals and market efficiency. SCE looks forward to exploring new TAC options with the CAISO and other participants in the upcoming stakeholder process.

Thank you,



Jeffrey Nelson