



Stakeholder Comments Template

Review TAC Structure Revised Straw Proposal

This template has been created for submission of stakeholder comments on the Review Transmission Access Charge (TAC) Structure Revised Straw Proposal that was published on April 4, 2018. The 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>.

Submitted by	Organization	Date Submitted
<i>Steve Hance 408-640-6894</i>	<i>Silicon Valley Power</i>	<i>05/01/2018</i>

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

Submissions are requested by close of business on **April 25, 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?

Silicon Valley Power (SVP) generally supports the CAISO's hybrid billing determinant proposal, with the following caveats described in the comment areas below.

2. Please provide any additional general feedback on the proposed modification to the TAC structure to utilize a two-part hybrid billing determinant approach.

SVP believes the hybrid billing determinant proposal results in allocation of HV TAC that better aligns with cost causation than does the current volumetric-only method. Two very significant changes have taken place since the original, PTO-based, volumetric billing determinant was chosen that make the change from a volumetric-only rate to a hybrid volumetric-demand rate necessary and just and reasonable.

First, the CAISO now utilizes a region-wide HV TAC vs. the original PTO specific TAC whereby such regionalization has resulted in HV TAC costs that have benefited lower load

factor UDCs at the expense of higher load factor UDCs without comparable benefits. The hybrid billing determinant will more appropriately align these benefits and costs than staying with the current volumetric-only approach.

Second, the build out of a significant amount of customer-sited DG, mainly roof top solar, shifts costs, under today's volumetric rate, from UDCs with heavy Distributed Generation (DG) development to UDCs without the same level of DG development taking place in their service territories. The hybrid billing determinant would better align the costs associated with the HV transmission system with the non-energy related benefits provided by the system to customers of varying load factors.

Determining components of HV-TRR to be collected under hybrid billing determinants

3. Does your organization support the proposal for splitting the HV-TRR for collection under the proposed hybrid billing determinant using the system-load factor calculation described in the Revised Straw Proposal?

Yes. SVP supports the proposal for splitting the HV-TRR under the proposed hybrid billing determinant using the system-load factor calculation.

4. Please provide any additional specific feedback on the proposed approach for splitting the HV-TRR costs for the proposed hybrid billing determinant.

SVP has no additional specific feedback on this issue at this time.

Peak demand charge measurement design for proposed hybrid billing determinant

5. Does your organization support the proposed 12CP demand charge measurement as described in the Revised Straw Proposal?

SVP understands the rationale for the CAISO choosing the 12CP method in the latest version of the draft straw proposal. However, because the 12 CP method can mute the price signal regarding the drivers for most transmission planning decisions and costs, SVP would prefer a 4 CP method or other cluster-of-peak-hours method as described in SVP's prior comments. If CAISO proceeds with a 12 CP method, SVP suggests modifications to the CAISO's 12CP method which result in cost allocations that would better align with desired end use customer behavior, resulting in more efficient use of the grid, as described in our response to Item #6 below.

6. Please provide any additional feedback on the proposed design of the peak demand charge aspect of the hybrid billing determinant.

SVP suggests looking at the advent of end-use customer-sited energy storage as an example of what could happen in varying months under various rate designs. In most cases the end-use customer is billed both a demand charge and an energy charge by their UDC, and the end-use customer would most likely operate an energy storage system to reduce its UDC bill. Such end-use customers might attempt to avoid their demand rate component by looking at discharging their energy storage system to shave their individual metered demand and not necessarily during the time periods that would provide the most value to the market or interconnected electric system. If the CAISO moves to a 12CP hybrid allocation approach,

there will be an incentive from the UDC perspective to modify rates such that end-use customers would be rewarded for reducing demand during the estimated CP periods of a particular month. While this incentive might work, there will be certain situations that arise that will likely result in end-use customer behavior not necessarily being as productive as it could be if the 12CP method was appropriately modified.

SVP suggests looking at September 1, 2017 as an example of what could happen under the new hybrid TAC rate design. For any interested end-use customer looking at the total CAISO load on this day it would be reasonable to assume that for the remaining days in September the CAISO would not set a new peak, and further demand reduction would not avoid any allocation of demand based charges. SVP suspects that the desired behavior most UDC's would want from their end-use customer base is to maximize the use of energy storage or demand response within the distribution system to avoid wholesale energy and demand charges, and from a HV transmission perspective to avoid the construction of what may be unneeded new transmission lines or upgrades. Since UDCs generally pass through wholesale costs to their end-use retail customers, anything that can be done from a wholesale rate design perspective that causes desired behavior from a retail customer should be pursued.

One issue with retail rate design is the desire to keep it sufficiently simple such that the customer is able to understand their rate and reliably predict what their costs may be going forward. On the wholesale side of the business, utilities are not as constrained with simplicity since they tend to have experts with core business knowledge, and thus shouldn't handcuff themselves with a cost allocation that is overly simplistic if a better, more efficient, choice is available.

Questions that should be asked and answered about the 12 CP option:

1. Is the value of energy storage or demand response equal in all months? From a transmission planning perspective, transmission is built to reliably serve the annual peak load. But from a transmission operation perspective, maintenance outages for both generation and transmission facilities will cause all monthly peaks to be a concern even though system peaks during that month may be significantly below the annual system peak.
2. If the answer to question 1 is "no", is there a numerical method that could be used to proportion the demand component of the hybrid TAC billing determinants that more equitably apportions the TRR demand component of the TAC to months that the CAISO would desire more demand response or energy storage behavior?

SVP attempts to answer the second question by creating a graphic representation of CAISO total demand using 2016 hourly data and excel conditional formatting to illustrate periods of time throughout each month where it would appear peak shaving would be desirable. The conditional formatting uses the color gradient scale with the midpoint (yellow) set at 90% such that all hourly loads below 90% of the monthly peak demand show as green-to-yellow while all hourly loads with in the top 10% of the system peak show as orange-to-red.

SVP provides this information to assist the CAISO and its stakeholders in considering if the 12CP method should be improved upon and appropriately adjusted.

NOTE: The information below depicts one illustration for each month of 2016, starting with data for January and ending with December. SVP notes that the summer months' peaking hours

(colored orange to red) have substantially higher MW when compared to the other months' peaking hours.

Table with 24 columns (1-24) and 24 rows (1/1/2016-1/31/2016). Contains numerical data for each date, with some cells highlighted in orange/red.

Table with 24 columns (1-24) and 24 rows (2/1/2016-2/29/2016). Contains numerical data for each date, with some cells highlighted in orange/red.

Table with 24 columns (1-24) and 24 rows (3/1/2016-3/31/2016). Contains numerical data for each date, with some cells highlighted in orange/red.

Row Labels	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
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Row Labels	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
8/1/2016	26858	25558	24683	24231	24476	25590	27069	28927	30664	32381	33788	35247	36293	37899	38967	40281	41469	41356	39927	38562	38049	35811	32654	29783
8/2/2016	27090	25774	24707	24354	24585	25514	27027	28826	30344	31735	33128	34474	35823	37447	38890	40110	40938	41054	39949	38610	37749	35529	32449	29505
8/3/2016	27130	25736	24675	24359	24552	25490	27028	28847	30312	31583	32824	33958	35105	36144	37616	39203	40075	40059	39071	37710	36856	34586	31322	28609
8/4/2016	26940	25485	24407	24211	24584	25617	27155	28837	30330	31559	32853	34086	35166	36500	37754	39122	39762	39652	38078	37380	36112	34947	31899	29033
8/5/2016	26452	25078	24223	23858	24061	25007	26366	28050	29378	30313	31415	32527	33529	34719	35980	37376	38001	37932	36963	35699	35281	33687	31000	28728
8/6/2016	26260	24903	24380	23935	23153	23249	23495	24144	25500	26564	27690	28811	29914	30898	32066	33522	34510	34804	34333	33300	32989	31504	29323	27227
8/7/2016	25298	23991	23103	22557	22342	22220	22088	22661	23711	24671	25793	26960	28216	29514	30928	32617	33805	34421	34346	33555	33009	31665	29140	26837
8/8/2016	24780	23512	22630	22212	22613	23607	24816	26668	28483	29919	31142	32427	33500	34803	36103	37457	38161	37658	36546	35670	34737	33103	30260	27654
8/9/2016	25663	24344	23343	22813	23070	24046	25411	27117	28702	30000	31156	32207	33232	34468	35748	37001	37831	37199	36244	35412	34695	32931	29964	27585
8/10/2016	25459	24277	23242	22727	23021	24019	25458	27080	28644	29865	30877	31909	32821	34030	35412	36858	37567	36996	35897	35145	34687	32625	29621	27249
8/11/2016	25467	24211	23170	22708	22974	24007	25306	26903	28337	29677	30889	32107	33008	34420	35611	37005	37951	37332	36405	35488	34470	32847	29873	27520
8/12/2016	25756	24441	23390	22821	23064	24016	25285	26770	28503	29860	30977	32242	33408	34790	36218	37500	38246	37334	36508	35474	34778	32755	29966	27855
8/13/2016	26628	25110	23803	23069	22924	23076	23304	24220	25973	27443	28863	30652	32773	33782	35386	37183	38358	38118	37079	36063	35461	33222	30582	28276
8/14/2016	27044	25482	24137	23191	22894	22760	22420	23032	24470	26199	28247	30463	32886	34241	36073	37633	38814	38879	38056	37081	36365	34229	31929	28721
8/15/2016	26812	25388	24216	23576	23863	24930	26208	28188	30440	32542	34291	36364	38060	39881	41492	42791	4							

Row Labels	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
10/1/2016	23395	22265	21507	21082	21064	21300	22287	22623	23597	24568	25217	25689	26654	26926	27476	28176	28839	29085	28942	29351	28815	27007	25085	23421
10/2/2016	21869	20905	20226	19912	19769	19979	20593	20725	21536	22653	23242	23664	23869	24190	24683	25261	25805	26318	26711	27649	27523	25779	23970	22301
10/3/2016	20927	20222	19757	19710	20250	21614	23688	24713	25724	26210	26861	27162	27446	27378	27404	28097	28425	28505	28606	29654	29155	27151	24674	22765
10/4/2016	21651	20893	20456	20280	20783	21949	24299	25205	25945	26221	26570	26838	27463	27499	27754	28225	28512	28481	28829	29587	29005	27259	25000	23145
10/5/2016	21688	20914	20420	20261	20627	21937	24063	25292	25742	26151	26574	26714	27047	27191	27273	27936	28238	28254	28709	29664	29073	27130	24806	22874
10/6/2016	21361	20593	20084	19836	20327	21590	23818	24880	25530	26025	26668	26908	27655	28040	28643	29479	29881	29856	29846	30232	29753	27724	25524	23520
10/7/2016	22319	21409	20791	20556	21017	22274	24452	25376	26057	26809	27719	28376	29454	30018	30813	31894	32143	31662	31144	31383	30640	28537	26113	24362
10/8/2016	22521	21491	20811	20385	20451	20962	21850	22087	22917	23855	24794	25551	26848	27418	28390	29641	30511	30621	30759	31103	29952	27768	25759	23848
10/9/2016	22405	21383	20521	20336	20012	20345	20949	21167	21767	22622	23483	24445	25847	26619	27827	29178	30186	30435	30450	31085	29997	27753	25668	23562
10/10/2016	22287	21142	20258	20119	20748	21947	24250	25130	26182	27008	27939	28533	29848	30354	30867	31562	31914	31654	31466	32108	30969	28732	26591	23738
10/11/2016	21839	20890	20317	20125	20587	21754	24080	25224	25727	26212	26708	27084	27796	27854	28303	28998	29095	29157	29598	30155	29330	27106	24741	22778
10/12/2016	21598	20703	20195	20209	20407	21709	24109	25252	25828	26163	26618	26616	27145	27168	27484	28193	28340	28409	28994	29659	28847	26912	24600	22799
10/13/2016	21408	20600	20223	19890	20322	21565	23921	25063	25579	25978	26342	26783	27054	27174	27542	28179	28398	28378	28901	29669	28982	26990	24749	22889
10/14/2016	21296	20471	19956	19774	20141	21342	23645	24851	25416	26079	26245	26696	27139	26812	26920	27252	27449	27618	28256	29112	28212	26497	24676	22918
10/15/2016	21717	20774	20138	19814	19891	20303	21225	21812	22431	23208	23859	23969	24335	23970	24445	24872	25143	25445	26781	27501	26722	25265	23624	21638
10/16/2016	21049	20175	19643	19331	19357	19511	20266	20715	21305	21918	22396	22576	23099	22962	23276	24011	24480	25246	26495	27459	26791	25212	23644	21253
10/17/2016	21042	20390	19980	19911	20256	21613	24398	25544	26239	26886	27215	27302	27679	27517	27458	28046	28402	28920	29675	30190	29441	27418	25036	22969
10/18/2016	21516	20724	20197	20044	20259	21781	24107	25205	25674	26014	26449	26641	27245	27304	27626	28330	28573	28753	29540	30079	29290	27216	24871	22913
10/19/2016	21457	20627	20107	19986	20240	21920	24269	25278	25742	26264	26859	27344	28353	28690	29425	30290	30520	30451	30882	31282	30321	28042	25599	23540
10/20/2016	21899	21078	20506	20290	20764	22213	24605	25616	26085	26798	27755	28483	29769	30334	31291	32321	32575	32148	32297	32405	31378	28867	26284	24077
10/21/2016	21420	21464	20839	20577	20660	22244	24548	25608	26237	26998	27967	28674	29943	30455	31263	32260	32324	31923	31959	32336	30652	28391	26052	23998
10/22/2016	21966	20905	20161	19736	19719	20055	20972	21203	22614	23515	23924	24668	24862	25321	26086	26598	27123	27333	28318	29900	29519	26352	23976	21766
10/23/2016	20545	19747	19152	18779	18648	18956	19588	19731	20194	20786	21467	21686	22050	22237	22806	23751	24391	25040	26255	26751	26123	24340	22566	20926
10/24/2016	19925	19185	18790	18695	19220	20579	22953	24378	25069	25887	26040	26181	26808	26669	26946	27397	27314	27589	28455	28851	28004	26018	23879	21881
10/25/2016	20797	20001	19510	19349	19813	20976	23452	24732	24942	25284	25803	25949	26465	26414	26568	27026	27199	27578	28688	29058	27147	26085	23739	21766
10/26/2016	20460	19629	19152	19004	19434	20958	23414	24645	24944	25189	25520	25685	26229	26126	26496	27120	27266	27590	28895	28890	27949	26864	23686	21753
10/27/2016	20639	19835	19334	19160	19600	20972	23441	24572	24946	25346	25757	26168	26869	26875	27105	27478	27699	27964	28849	29046	28075	26099	23829	21880
10/28/2016	20963	20082	19522	19322	19765	21064	23615	25268	25820	26264	26519	26622	27045	26739	26839	27110	27092	27388	28621	28536	27654	25861	23934	22281
10/29/2016	21192	20527	19914	19543	19621	19961	21099	21850	22424	23135	23540	23674	23941	23510	23698	24098	24565	25196	26710	26738	26014	24556	23264	21725
10/30/2016	21735	19829	19265	18908	18940	19163	19866	20412	21102	21741	22261	22757	23009	22823	23009	23116	23498	24183	25891	26338	25820	24720	22492	21317
10/31/2016	20051	19439	19096	19041	19693	20965	23330	24588	25149	25483	25714	25720	25948	25599	25477	25891	25996	26685	27814	28038	27462	25698	23542	22267

Row Labels	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
11/1/2016	20857	20242	19789	19662	19981	21188	23634	25038	25427	25998	26644	26224	26328	25912	25678	25960	25938	26697	27884	28116	27488	25710	23475	21823
11/2/2016	20547	19871	19409	19296	19713	21168	23710	25206	25274	25354	25588	25585	25893	25681	26078	26332	26996	27864	28219	27769	26053	23877	22148	
11/3/2016	20609	20135	19593	19462	19864	21209	23741	25097	25469	25733	26004	26235	26756	26566	26779	27188	27382	27681	28713	28783	28151	26292	24017	22267
11/4/2016	20872	20081	19552	19380	19770	21024	23394	24698	25097	25336	25703	25717	26251	26055	26283	26666	26838	27142	27876	27752	26058	23719	21656	
11/5/2016	20746	19807	19174	18838	18718	19359	20421	20972	21523	22052	22358	22631	23004	22590	22707	23066	23649	24803	25998	26009	25328	24035	22628	21150
11/6/2016	19984	19147	18528	18221	18181	18470	19219	20122	20460	20912	21295	21453	21711	21529	21737	22137	22891	24697	25511	25186	23686	22991	21716	20299
11/7/2016	19408	18745	18347	18350	18949	20443	22720	24322	25031	25261	25610	25805	26325	26279	26450	26972	27425	29160	30331	28309	26729	24893	23354	21569
11/8/2016	20457	19758	19232	19117	19715	21240	23514	25210	25518	25781	26318	26753	27444	27748	28133	28725	29038	30776	31778	29820	28429	26106	23907	20232
11/9/2016	20936	20175	19628	19488	20054	21567	23865	24997	25536	26085	26807	27308	28228	28528	28833	29712	29848	31231	31444	30355	28938	26550	24351	22529
11/10/2016	21253	20400	19781	19606	20128	21591	23714	24902	25507	26172	26889	27439	28351	28667	29171	29832	30064	31375	31088	29974	28608	26423	24327	21920
11/11/2016	20976	20119	19519	19356	19842	21116	22890	24018	24810	25397	26094	26593	27496	27817	28157	29032	30439	29902	28720	27469	25499	23735	22082	
11/12/2016	20764	19864	19174	18893	19042	19594	20302	20752	21450	22162	22669	23303	23841	24311	24094	24959	25438	27082	27300	26521	25489	23894	22369	21112
11/13/2016	19763	18893	18353	18086	18169	18574	18999	19267	20172	20912	21237	21676	22099	22115	22687	23587	24514	26528	27052	26303	25310	23645	22172	20670
11/14/2016	19533	19034	18591	18572	19208	20478	22523	23804	24611	25222	25916	26380	27141	27335	27984	28603	28986	30436	30453	29301	28008	25695	23766	21699
11/15/2016	20378	19626	19149	19010	19571	21081	23269	24412	24932	25346	25812	26109	26893	26940										

SVP suggests that if a 12 CP method will be used, it be modified to apportion more of the revenue recovery to months with higher demands, and submits the following as approaches for investigation and consideration:

Assumptions:

For simplicity, assume the HV TAC demand component of the TRR was \$1,200,000,000 and assume the following chart contains the previous year's monthly CAISO recorded peak demands.

	MW
Jan	30100.99
Feb	29731.63
Mar	29670.08
Apr	30421.88
May	34259.08
Jun	44776.02
Jul	45666.19
Aug	43541.5
Sep	40100.19
Oct	32594.97
Nov	31445.56
Dec	30330.08

The minimum monthly peak demand during this year was March with a peak demand of 29,670 MW, and the maximum monthly peak demand was 45,666 MW in July. Similar to how the total TRR was bifurcated into a volumetric rate and a demand component, the CAISO could bifurcate the demand component into monthly allocations using the following method:

First, multiply the highest peak month (45,666 MW) by 12 months, which results in 547,992 MW-months. Second, then divide that result into the total HV TRR demand component of \$1,200,000,000 - resulting in a base rate of \$2,189.8/MW-month.

This rate, multiplied by the actual recorded peak demands of each month, would recover \$779,659,875 (about 65%) of the HV TRR demand component - leaving \$420,340,125 (about 35%) yet to be recovered.

Subtracting the March figure (the minimum monthly peak demand for this particular year) from each of the twelve months' actual peak demand results in the following table.

	Peak Demand	Amount above min month peak demand
Jan	30100.99	430.91
Feb	29731.63	61.55
Mar	29670.08	0
Apr	30421.88	751.8
May	34259.08	4589
Jun	44776.02	15105.94
Jul	45666.19	15996.11
Aug	43541.5	13871.42
Sep	40100.19	10430.11
Oct	32594.97	2924.89
Nov	31445.56	1775.48
Dec	30330.08	660
		66597.21

Allocating the \$420,340,125 remainder based on the monthly peak demand in excess of the year’s minimum monthly demand would create the following table and monthly rates.

	Peak Demand	Amount above min month peak demand	% of peak demand above minimum month peak demand	Min Month Peak	Base Monthly Rate	TRR recovered with the base rate	Portion of TRR not recovered through the base rate that would be allocated by % of monthly peak demand over the minimum month	Total TRR to be recovered in the month	Monthly demand rate
Jan	30100.99	430.91	1%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 2,719,765.03	\$ 67,691,421.31	\$ 2,248.81
Feb	29731.63	61.55	0%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 388,483.76	\$ 65,360,140.04	\$ 2,198.34
Mar	29670.08	0	0%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ -	\$ 64,971,656.27	\$ 2,189.80
Apr	30421.88	751.8	1%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 4,745,119.29	\$ 69,716,775.56	\$ 2,291.67
May	34259.08	4589	7%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 28,964,288.93	\$ 93,935,945.20	\$ 2,741.93
Jun	44776.02	15105.94	23%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 95,343,824.52	\$ 160,315,480.79	\$ 3,580.39
Jul	45666.19	15996.11	24%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 100,962,290.65	\$ 165,933,946.92	\$ 3,633.63
Aug	43541.5	13871.42	21%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 87,551,932.17	\$ 152,523,588.45	\$ 3,502.95
Sep	40100.19	10430.11	16%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 65,831,492.61	\$ 130,803,148.89	\$ 3,261.91
Oct	32594.97	2924.89	4%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 18,460,962.97	\$ 83,432,619.24	\$ 2,559.68
Nov	31445.56	1775.48	3%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 11,206,257.51	\$ 76,177,913.78	\$ 2,422.53
Dec	30330.08	660	1%	29670.08	\$ 2,189.80	\$ 64,971,656.27	\$ 4,165,707.28	\$ 69,137,363.55	\$ 2,279.50
		66597.21				base component	\$ 779,659,875.28		
						variable component	\$ 420,340,124.72		
Max	45666.19	547994.28	\$ 2,189.80						
Min	29670.08								

This is one example of a method that could be used to allocate the demand component under the hybrid approach that still utilizes 12CP as a base method, but places more value on demand reduction during higher peaking months. This modified 12 CP method better reflects the costs associated with the higher peaking months than does the simple method of allocating 1/12th of the HV TRR demand component to each month of the year.

Another example of a method for adjusting the CAISO’s 12 CP proposal to further recognize the heavier peak demand distribution in summer months could be to allocate more, potentially even up to 100%, of the total HV TRR demand component (\$1,200,000,000 in the prior first example) to

each separate month using the distribution in the fourth column of the above table (“% of peak demand above minimum month peak demand”). That is, rather than using the roughly 65% calculated in the first example above, the CAISO could administratively select a lower percentage of the HV TRR demand component to be recovered using a base monthly rate, which results in a higher percentage of the demand portion of the HV TRR to allocate based on the percentage of peak demand above minimum month peak demand. The result would be a lower (or potentially no) base monthly rate and a greater amount of the total HV TRR demand component (than the 35% in the first example) collected via the varying monthly supplemental portion of the total demand rate.

Such adjusted 12 CP methodologies appear to move closer to being consistent with the CPUC’s utilization of Effective Load Carrying Capacity (ELCC) in determining Net Qualifying Capacity (NQC) of generating units for Resource Adequacy (RA) purposes. The CAISO – in both its April 4, 2018 Revised Straw Proposal and its April 11, 2018 stakeholder meeting presentation – notes the importance of being consistent with CPUC RA requirements.

Treatment of Non-PTO entities to align with proposed hybrid billing determinant

7. Does your organization support the proposed modification to the WAC rate structure to align treatment of non-PTO entities with the proposed TAC hybrid billing determinant?

Yes. SVP supports the proposed modification to the WAC rate structure design for non-PTOs.

8. Please provide any additional feedback related to the proposal for modification to the treatment of the WAC rate structure for non-PTO entities.

SVP has no additional feedback on this issue at this time.

Additional comments

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

SVP supports the CAISO’s rejection of moving the point of measurement from the end-use customer meter to the Transmission Energy Downflow (TED). Further, SVP supports the hybrid billing determinant proposal as well as its proposed modification to the WAC rate structure. That said, SVP believes that there could, and should, be modifications made to the proposed 12CP methodology to support cost allocations that ultimately align better with desired end-use customer behavior.