



## 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        |
|-------------------------------------|--|-----------------------|
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Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto: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.**

The Transmission Agency of Northern California (TANC) appreciates this opportunity to comment on the California Independent System Operator's (CAISO) *Review Transmission Access Charge Structure – Revised Straw Proposal* (Revised Straw Proposal). TANC believes that the current straw proposal represents a significant improvement over the previous iteration. We also recognize that there remains a lot of work still to be accomplished along with difficult decisions that will need to be made and approved prior to the implementation of any modification to the existing high voltage transmission access charge (HV TAC or TAC). TANC strongly encourages the CAISO to be both diligent and transparent in the continued development of a new HV TAC structure. We believe it is more important to develop a fair and equitable solution, rather than quickly developing a new approach without proper stakeholder vetting and transparency.

#### **Hybrid billing determinant proposal**

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

TANC, generally, is not opposed to the proposal by the CAISO to create a hybrid TAC. We encourage the CAISO to continue to refine its proposal so as to clearly show that this approach is fair and equitable.

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

### **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?

TANC believes that the system-load factor calculation is a reasonable, transparent and objective measure for determining the appropriate split between the volumetric and the demand charge. TANC agrees that using actual investment in transmission to try and determine the purpose (delivery or capacity) of particular costs for recovery is likely neither efficient nor accurate. The proposed measure relies on publicly available information that is not based on any objective determinations by the CAISO. We would recommend that the CAISO, in a transparent manner, at regular intervals relook at the determinants to affirm or modify as required.

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

### **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?

TANC does not have a specific position with respect to the 12CP proposal, but would ask that the CAISO provide more analysis and support for it or any alternative it determines to follow in its final proposal. The transmission planning reliability studies do not rely on 12 monthly peaks, instead relying more on seasonal peak studies. The 2018-19 Transmission Study Plan includes summer, spring and winter periods; hence if the CAISO is planning the future grid requirements based upon seasonal requirements – would a 4CP be a more equitable measurement to utilize? TANC believes that the CAISO should provide additional analysis and thought to justify that the 12CP is in fact appropriate compared to a 4CP.

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

### **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?

TANC supports the equal treatment of non-PTO and Metered Sub-Systems (MSS) modification of the WAC to align with any changes that the CAISO ultimately makes to the TAC. Specific issues related to modifications that may be undertaken should continue to maintain the current practice of measuring the net metering at the interface between the non-PTO and MSS with the rest of the CAISO controlled-grid.

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

#### **Additional comments**

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

TANC would like to re-iterate our support for the CAISO's decision to continue measuring the TAC determinant at the end-use meter. We understand that others continue to support a different approach. However, the fundamental facts remain the same: the grid provides multiple benefits aside from energy delivery and all users of the grid should pay an equitable share of the costs. We believe that the CAISO, after implementation of these proposed changes, should consider an examination of the WAC for exports.