Stakeholder Comments Template

Review Transmission Access Charge Wholesale Billing Determinant

June 2, 2016 Issue Paper

Submitted by	Company	Date Submitted
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The ISO provides this template for submission of stakeholder comments on the June 2, 2016 issue paper. The issue paper, presentations and other information related to this initiative may be found at: http://www.caiso.com/informed/Pages/StakeholderProcesses/ReviewTransmissionAccessChargeWholesaleBillingDeterminant.aspx

Upon completion of this template please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **June 30, 2016.**

Issue Paper

Currently the ISO assesses transmission access charge (TAC) to each MWh of internal load and exports. Internal load is measured as the sum of end-use metered customer load (EUML) in the service area of each participating transmission owner (PTO) in the ISO balancing authority area. Clean Coalition proposes that the ISO change how it measures internal load for TAC purposes, to measure it based on the hourly energy flow from the transmission system to the distribution system across each transmission-distribution substation; a quantity called “transmission energy downflow” (TED). The main difference between using TED or EUML as billing determinant is that TED excludes load that is offset by distributed generation (DG). Please see the ISO’s June 2 straw proposal for additional details.

The ISO does not yet have a position on the Clean Coalition proposal, and has posted the June 2 issue paper in order to stimulate substantive stakeholder discussion and comments on this topic.

1. At this point in the initiative, do you tend to favor or oppose Clean Coalition's proposal? Please provide the reasons for your position.

   I limit my comments to this response to Question 1.

   As a member of the Berkeley Climate Action Coalition (BCAC)'s Working Group on Community Choice Aggregation and as a private individual and homeowner interested in furthering the development of rooftop solar, I strongly support Clean Coalition's TAC proposal.

   Many communities like ours throughout California are now actively pursuing CCA arrangements. We do so for many reasons:

   - the desire for swift action to combat global warming and its many dire threats to our land, water, health and state and local economies;
   - the conviction that we cannot rely on the current infrastructure to respond adequately to the enormous challenges we face;
   - the suspicion that investor-owned utilities, for-profit entities that nevertheless enjoy a state-sanctioned monopoly, have become too self-interested and powerful in the face of weak regulation to act in the best interests of our many diverse communities.

   A CCA like ours (variously Alameda or East Bay Clean Power) strongly supports the Clean Coalition's TAC proposal because it calls for an accurate market adjustment that over time will promote distributed generation, an important element in community aggregation. Eventually, CCAs will come to rely on locally sourced electricity--medium scale as well as rooftop solar--as an important part of their service operation. Using the TED in calculations of the billing determinant may seem small now compared to the systemic changes we need, but the shift will open the way more realistic thinking about systemic solutions and the hard choices that lie ahead.

   The transmission picture is just one part of the whole complex infrastructure that supports our energy consumption. All parts--including usage/conservation habits and storage systems—need rethinking and redesign in the coming few years. The Clean Coalition's TAC proposal, much like our attempts to define and limit the levying of PG&E's so-called exit fees (PCIA charges) on municipalities leaving its service, helps to bring clarity to murky, difficult issues. CCAs support fairness to older stakeholders, but we also need to move forward decisively to meet future needs. We can't afford to let the future be held hostage by entrenched interests of the status quo.

2. Clean Coalition states that TED is better aligned with the "usage pays" principle than EUML is, because load offset by DG does not use the transmission system. Do you agree? Please explain your reasoning.

3. Clean Coalition states that using TED will be more consistent with the "least cost best fit" principle for supply procurement decisions, because eliminating the TAC for load served by DG will more accurately reflect the relative value of DG compared to transmission-connected generation. Do you agree? Please explain your reasoning.

4. Clean Coalition states that changing the TAC billing determinant to use TED rather than EUML will stimulate greater adoption of DG, which will in turn reduce the need for new transmission capacity and thereby reduce TAC rates or at least minimize any increases in future TAC rates. Do you agree? Please explain your reasoning.

5. In the issue paper and in the stakeholder conference call, the ISO pointed out that the need for new transmission capacity is often driven by peak load MW rather than the total MWh volume of load. This would suggest that load offset by DG should get relief from TAC based on how much the DG production reduces peak load, rather than based on the total volume of DG production. Please comment on this consideration.

6. Related to the previous question, do you think the ISO should consider revising the TAC billing determinant to utilize a peak load measure in addition to or instead of a purely volumetric measure? Please explain your reasoning.

7. Do you think adopting the TED billing determinant will cause a shift of transmission costs between different groups of ratepayers? If so, which groups will pay less and which will pay more? Please explain your reasoning, and provide a numerical example if possible.

8. Do you think a third alternative should be considered, instead of either retaining the status quo or adopting the TED billing determinant? If so, please explain your preferred option and why it would be preferable.

9. Do you think that ISO adoption of TED by itself will be sufficient to accomplish the Clean Coalition's stated objectives (e.g., incentives to develop more DG)? Or will some corresponding action by the CPUC also be required? Please explain.

10. What objectives should be prioritized in considering possible changes to the TAC billing determinant?

11. What principles should be applied in evaluating possible changes to the TAC billing determinant?

12. Please add any additional comments you'd like to offer on this initiative.