

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**.

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?

Comment: The City of Vernon (Vernon) supports CAISO's hybrid billing determinant proposal.

Vernon continues to urge the CAISO to release sufficient data, at least on market participant specific basis, to enable the market participants to truly understand the impact of CAISO's proposal to them.

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.

Comment: Vernon is unsure how the alleged iterative process based on modified PTO's FERC transmission rate case would work in practice. For example, PTOs would not

have the information of the time (hour) that CAISO system would peak in each month and therefore, PTOs would have to make an educated guess for this information. Upon receiving PTOs transmission rate filings, then CAISO would somehow aggregate all the information to produce its own demand billing determinant and feedback such information to the PTOs so that PTOs can then update their transmission rate filings accordingly.

This iterative process will add substantial complexity to the TAC rate process which is already fairly complicated due to the overlay of annual true-up filings and the new case filings with no clear advantage in producing more precise results.

Vernon does not support modifying PTO's transmission rate case to include coincident hourly peak load forecasts determined by PTOs themselves.

- 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.

Comment: The use of historical data seems more logical to Vernon as such information is based on actual data as opposed to forecast data and would provide consistency among the PTO transmission rate cases by using the same historical data, e.g. the hour that CAISO peaked in each of the month in the past year.

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

Comment: Vernon does not have additional comments at this time.

Additional comments

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

Comment: Vernon does not have additional comments at this time.