

## 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](mailto: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?

**SCE Comments:** SCE continues to support the ISO's recommendation that a two-part hybrid billing determinant TAC assessment approach, based on volumetric (energy) and 12-CP peak demand, be implemented. SCE believes this hybrid billing approach will better reflect the nature of transmission usage as compared to the current energy-only billing.

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.

**SCE Comments:** SCE supports the use of PTO-specific FERC approved load and peak forecasts to set the proposed TAC rates, but only if the hours of ISO peak load can be identified to the PTOs by the ISO in order for the PTO to use that

information to develop its forecast of coincident peak loads. Otherwise, the PTO will not be able to forecast the peak load for each month (which may not correspond to the hour of the PTO's own peak load). The use of forecast load and 12-CP amounts could simplify the determination of the TAC rates, as well as the billing of the TAC to PTOs and other transmission-paying entities, if the issue of determining the hour of ISO system peak can be resolved.

SCE already includes a forecast of energy and 12-CP peak load in its annual updates of its formula transmission rate, but that forecast of 12-CP peak demand only considers SCE total load. That forecast relates to the upcoming calendar year, and so it would match the period of time the TAC would be billed. SCE believes that it would be a simple matter for any PTO entities that do not presently include a forecast of 12-CP load to incorporate that forecast in its net transmission rate case filing.

- 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.

**SCE Comments:** As an alternative to the use of FERC-approved energy and 12-CP peak loads, SCE would not oppose the use of recorded historic values from the previous year. This method would eliminate the issue of not knowing the hour of ISO peak load in developing the PTO coincident peak load.

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

**SCE Comments:** SCE is supportive of the proposal as set forth in the Second Revised Straw Proposal contingent on the measure of peak load being based on 12 monthly peaks (12-CP). SCE believes that all of the peak loads throughout the year contribute to the use of the transmission grid, and so should be reflected in the peak billing determinant. Narrowed definitions of peak load, such as 4-CP (four summer peaks, and no consideration of the other eight months at all), would not in SCE's opinion accurately reflect the peak-related costs in the other eight months of the year

#### **Additional comments**

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

**SCE Comments:** SCE would not be opposed to a reasonably short phase-in of the revised TAC billing, such as a two-year phase in.