



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
Ramon Abueg	Valley Electric Association, Inc.	April 26, 2018

Valley Electric Association, Inc. (VEA) appreciates the opportunity to provide comments on the ISO's Review of Transmission Access Charge Structure Revised Straw Proposal that was posted on April 4, 2018 and discussed at the April 11, 2018 stakeholder meeting. VEA has a vested interest in this stakeholder process as it is currently allocated Transmission Access Charge (TAC) costs based on its total annual energy, thus any modification to the current cost allocation process will impact VEA and its ratepayers.

Hybrid billing determinant proposal

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

VEA supports the hybrid billing determinant as detailed in the Revised Straw Proposal. VEA finds that the CAISO's proposal to split the determinants of TAC costs between volumetric and peak demand measures serves to meet the design objectives. Specifically, the hybrid structure allocates costs in a manner reflective of cost causation and realized benefits from the transmission grid.

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

None at this time.

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?

VEA supports the split under the hybrid billing determinant using the system load factor calculation. As noted in comments to the previous straw proposal, VEA was not supportive of basing the split based on project type. Such a proposal would have been fraught with contentious policy questions. Conversely, simply splitting the costs 50/50 between volumetric and peak demand measures is unnecessarily blunt and arbitrary. The instant proposal removes the potentially contentious, volatile elements inherent in the “project type bucket” proposal, and it avoids the over simplicity of the 50/50 split. VEA find that the current proposal provides for a straightforward, replicable calculation that aligns with the principle of cost causation.

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

None 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?

VEA supports the 12CP demand charge measurement. Although this adds some complexity, VEA finds that adjustment of the coincident peak each month will be reflective of realized benefits of the transmission grid under peak conditions. Again, this is in keeping with the principle of cost causation.

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

None at this time.

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?

VEA does not have a strong position on the issue of wheeling charges at this time.

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

None 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.