

# Storage as a Transmission Asset

## Issue Paper Comments

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Please use this template to provide your comments on the Storage as a Transmission Asset stakeholder initiative Issue Paper that was published on March 30, 2018.



Submit comments to [InitiativeComments@CAISO.com](mailto:InitiativeComments@CAISO.com)

**Comments are due April 20, 2018 by 5:00pm**

The Issue Paper posted on March 30, 2018, as well as the presentation discussed during the April 6, 2018 stakeholder web conference, may be found on the [Storage as a Transmission Asset](#) webpage.

Please provide your comments on the Issue Paper topics listed below and any additional comments you wish to provide using this template.

**Scope of policy examination**

The ISO's initial identified scope for this stakeholder process is to enable storage to provide cost-based transmission services and participate in the market and receive market revenues. Specifically, the ISO will focus on (1) transmission-connected storage only and (2) storage resources identified as needed to provide reliability-based transmission services. Please provide comments on the proposed scope. If there are specific items not already identified by the ISO that you believe should be considered, please provide specific rationale for why the ISO should consider it as part of this initiative.

**Comments:**

CDWR does not have any comments at this time.

**Cost recovery mechanism**

The ISO has offered two alternative cost recovery mechanisms for discussion as part of the issue paper:

1. Asset in PTO's TAC rate base, and
2. Contractual provision of "cost-based" transmission service without becoming a PTO

Please provide comments on these two options and any other options the ISO has not identified. Additionally, please provide comments on the "wholly in rate base" and "partially in rate base" alternatives discussed within each of the above options.

**Comments:**

CDWR believes that the concept of cost-based transmission service being provided by entities who are not PTOs may have merit and should be considered further in the CAISO stakeholder process. However, careful attention should be given to identifying the appropriate balance between cost-based recovery and market-based recovery to avoid double recovery. Additionally, it seems likely that CAISO will need separate contractual arrangements to ensure that an entity that is not a PTO but is receiving cost-based recovery fulfills the obligations that CAISO imposes on PTOs with respect to such facilities.

**Allocation to high or low voltage TAC**

The ISO has expressed its plans to maintain the current practice of allocating costs to high or low voltage TAC based on the point of interconnection. Please provide comments on this proposal.

**Comments:**

CDWR supports CAISO's proposal to continue the practice of allocating costs to high or low voltage TAC based on the point of interconnection.

**Other**

Please provide any comments not addressed above, including any comments on process or scope of the Storage as a Transmission Asset initiative, here.

**Comments:**

CDWR encourages CAISO to prioritize the development of market products to meet market needs as opposed to approaches whereby market needs are met through cost based arrangements.