

## Creation of a New Transmission Access Charge (TAC) Area for the Metropolitan Water District

Submitted by	Company	Date Submitted
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PG&E is not opposed to the creation of a separate TAC Area for MWD, but seeks further clarification on the process to be followed and whether a tariff change is required.

The CAISO's presentation<sup>1</sup> states that CAISO Tariff Appendix F, Schedule 3, Section 3.7 "allows the Board to create TAC Areas" under specified conditions. PG&E does not find this language in the Tariff. Section 3.7 authorizes the CAISO Board to establish a separate TAC area if the Imperial Irrigation District or an entity outside of California applies to become a Participating Transmission Owner and inclusion of this entity in an existing TAC Area could result in significant cost shifts. Nothing in this Section, or elsewhere in Schedule 3, authorizes the CAISO Board to create separate TAC Areas for any other entity, including MWD, which is a California-based entity. In fact, Appendix F, Schedule 3, Section 3.4 specifies the appropriate TAC Area applicable to MWD.

While PG&E sees no negative impact to PG&E's customers from the current proposal, it is possible in the future that entities or sub-areas within PG&E's current TAC area might seek similar treatment. Therefore, if a tariff change is required, CAISO should propose specific tariff language that clearly distinguishes this case from other similar cases and identifies the criteria under which division of an existing TAC area into two or more new TAC areas may be justified. Otherwise, an unintentional precedent of creating new TAC areas ad hoc without meeting specified tariff conditions may be set, resulting in a mushrooming of new TAC areas.

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[http://www.caiso.com/Documents/Agenda\\_Presentation\\_CreationofNewTACAreaforTheMetropolitanWaterDistrictofSouthernCalifornia.pdf](http://www.caiso.com/Documents/Agenda_Presentation_CreationofNewTACAreaforTheMetropolitanWaterDistrictofSouthernCalifornia.pdf) p. 6