

Comments of the California Consumers Alliance re: CAISO's TAC Options Initiative

The California Consumers Alliance (CCA) appreciates the opportunity to submit the following comments regarding the California ISO's Transmission Access Charge (TAC) initiative.

CCA recognizes that the focus of the ISO's initiative is to develop, if need be, a TAC structure suitable for an expanded balancing authority area. It is our hope that expanding the ISO balancing authority area will result in greater coordination, enhanced planning and evaluation processes, and ultimately, cost effective solutions for stakeholders across the entire region. There is however a risk that a significantly expanded ISO region could also increase challenges for stakeholders to participate in a meaningful way—broader territory will likely come with an increased number of policies, needs and solutions to be aware of, understood, and evaluated. The challenges are likely to be most severe for disadvantaged stakeholders; namely those who are neither compensated nor expect to be financially rewarded for being attentively involved and to whom TAC costs are allocated. CCA urges the ISO to develop ways to enhance the ability of stakeholders to be accurately informed, participate, and in turn be confident that rates for transmission service are the result of well vetted and transparent processes...

With this in mind, CCA respectfully requests the ISO's reconsideration of its approach to a topic addressed and apparently swept aside in the TAC Options Issue Paper, and subsequently, in the presentation by Lorenzo Kristov at the Salt Lake City workshop on December 17, 2015. Specifically, we believe the ISO's decision to limit the scope of its TAC options inquiry by utilizing its current TAC billing determinants, also limits stakeholders' ability to accurately understand actual average transmission costs.

As Clean Coalition and other stakeholders have pointed out, the ISO's \$ per unit of energy postage stamp rate assessed to the region's gross customer load disregards units of energy that are served by resources that are not transmitted on the region's transmission network. Distributed energy resources, including customer sited systems, are increasingly making the ISO's current postage stamp rate an inaccurate reflection of the region's averaged cost of transmission facilities and service. Moreover, CCA believes that the resulting uncertainty of per unit of energy costs makes the task of determining the benefits and identifying the beneficiaries of transmission more ambiguous than it should be. We urge the ISO to carefully consider; 1) whether assessing metered transmission usage rather than gross electricity consumption would enable greater stakeholder understanding, and; 2) whether measuring and utilizing transmission usage data or gross loads is more consistent with the six cost allocation principles contained in FERC Order No. 1000.

We are grateful that ISO has indicated it intends to address these concerns in a separate initiative. It is our hope that the ISO's ESDER and TAC initiatives will merge in a timely manner that results in more informative processes for all stakeholders.