

Stakeholder Comments Template

Transmission Access Charge Options

May 20, 2016 Revised Straw Proposal

Submitted by	Company	Date Submitted
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The ISO provides this template for submission of stakeholder comments on the May 20, 2016 revised straw proposal. The revised straw proposal, presentations and other information related to this initiative may be found at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/TransmissionAccessChargeOptions.aspx>

Upon completion of this template please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **June 10, 2016**.

Revised Straw Proposal

10. The proposal indicated that the ISO would establish a formula for a single export rate (wheeling access charge or WAC) for the expanded region, and this rate would be a load-weighted average of all sub-regional license plate rates plus any region-wide postage stamp rate. Please comment on this proposal.

Having a load-weighted average of all sub-regional license plates depends on having a consistent method of measuring load throughout an expanded balancing authority area (BAA). In addition to having a consistent WAC throughout any expanded BAA, it is also important that CAISO ensure that the billing determinant for measuring load is consistent throughout the RSO territory. For example, if load in PTO utility service territories continues to be measured at the end-user metered load point as it currently is in California, the RSO needs to ensure that load in the newly included subregions is measured consistently.

13. Please provide any additional comments on topics that were not covered in the questions above.

As noted in our response to Question 10 above, it is important to consider how load will be measured in any expanded BAA to ensure that the billing determinant and methodology are consistent between subregions.

We also wish to reiterate a potential methodology for calculating any sub-region's benefit from any new transmission facilities. We recommend that a simplified cost allocation approach be used. Under this method, the cost of each applicable category of transmission voltage (superhigh, high, and low) would be allocated in proportion to the aggregate transmission energy downflow within each sub-region, as measured at the transmission nodes directly supplying energy to distribution loads. It may be appropriate to reflect the correlation between hourly SHV usage and sub-regional hourly transmission energy downflow measurement in SHV TOU rates.

Under this approach, the TRR for economic and policy-driven new SHV facilities would first be reduced by subtracting any applicable WAC fee revenues and then apportioned to each region and sub-region in proportion to their use of transmission assets. This will establish an incentive for utilities to reduce peak demand on the transmission system and the need for new transmission capacity when there is a more cost effective alternative.

This approach also has the advantage of ensuring that any benefits calculation is wholly objective and simple to calculate.