

**COMMENTS OF THE IMPERIAL IRRIGATION DISTRICT  
ON CAISO'S AUGUST 11, 2016  
TRANSMISSION ACCESS CHARGE OPTIONS WORKING GROUP**

**August 25, 2016**

Imperial Irrigation District (“IID”) responds to issues raised at the August 11, 2016 working group meeting on the Transmission Access Charge (“TAC”) Options stakeholder initiative. As IID noted in its June 16, 2016 comments<sup>1</sup> on the CAISO’s May 20, 2016 TAC Options Revised Straw Proposal, to the extent that the CAISO footprint is expanded, it is critical to maintain *ex ante* regional transmission planning and cost allocation methods, developed in partnership with stakeholders. IID understands that the CAISO intends to engage in the development of default cost allocation provisions for the expanded region, and stakeholder participation in developing those provisions is essential. In this regard, IID maintains that it is important for the CAISO to develop these issues in tandem with other pertinent aspects of regional planning and cost allocation for the expanded region, including Transmission Planning Process issues.

IID highlights the CAISO’s August 11, 2016 statement regarding the CAISO’s May 20, 2016 proposal to permit a new Participating Transmission Owner that is embedded within or electrically integrated with an existing sub-region to have a one-time choice to join that sub-region or become a separate sub-region. As IID noted in its June 16, 2016 comments, this proposal is important and should be further explored. The CAISO’s August 11 assertion that it is no longer intending to permit “embedded” entities to exercise this one-time option is of significant concern to IID. The CAISO presented its modification of proposal at the August 11 meeting for the first time, and this proposal has not been documented to date. If the CAISO no longer supports external Balancing Authority Areas (“BAAs”) (like IID) that are electrically interconnected and integrated with the CAISO’s BAA, to have an option to become a new sub-region, the CAISO should document its explanation for the basis for this new position and the reason for the change. If the CAISO is only withdrawing its support for a subset of embedded or integrated entities from the option of forming their own sub-region, the CAISO should clearly delineate the distinctions. The CAISO should also clarify the associated TAC obligations for entities that form a separate sub-region as opposed to those that choose to join an existing sub-region, including with respect to existing and new transmission facilities. This is a critical issue as to the development of an expanded ISO, as it defines the rights and obligations of non-CAISO entities, within or adjacent to the CAISO, whether BAAs or non BAAs, and merits clear articulation for the assessment by all entities impacted by the formation of a regional grid operator. Without such clarifications, all interested entities will remain unclear as to the costs and benefits of an expanded ISO, including as to what set of entities would be subject to sub-regional treatment. Such questions cannot be left open to debate on a case-by-case basis subsequent to formation of an expanded ISO.

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<sup>1</sup> <https://www.caiso.com/Documents/IIDComments-RegionalResourceAdequacy-SecondRevisedStrawProposal.pdf>