

Stakeholder Comments Template

Transmission Access Charge Options

May 20, 2016 Revised Straw Proposal

Submitted by	Company	Date Submitted
<i>Marshall Empey 801-566-3938</i>	<i>UAMPS</i>	<i>June 10, 2016</i>

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

1. In the previous straw proposal the ISO proposed to define sub-regions, with the current ISO footprint as one sub-region and each PTO that subsequently joins as another sub-region. Now the ISO is proposing an exception to allow a new PTO 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. Please comment on whether such an embedded/integrated new PTO should become a new sub-region, be given a one-time choice, or whether another approach would be preferable.

UAMPS supports the “one-time choice” option. In UAMPS specific case, we jointly own approximately 20 miles of a double circuit 345 kV line and a double circuit 138 kV line that are operated by PacifiCorp as a single path. We feel that the most efficient option would be to join the PacifiCorp subregion and have our facilities and TRRs integrated with theirs since that is the way they are operated and maintained in practice.

UAMPS does understand that other PTOs that want to join the Regional ISO and are adjacent to or embedded within another PTO may have different circumstances and may want to become their own sub region, so supports the “one-time choice” option.

2. The proposal defines “existing facilities” as transmission assets in-service or planned in the entity’s own planning process for its own service area or planning region, and that have either begun construction or have committed funding. The ISO proposed criteria for what constitutes a facility having “begun construction” and “committed funding” and for how these criteria would be demonstrated. Please comment on these criteria and their use for this purpose.

UAMPS suggests that the term “existing facilities” be more specific and only apply to facilities that are in service and in a PTO’s rate base at the time of formation of the Regional ISO.

For facilities that are in development, a new class of facilities would be defined and would be analyzed on a case-by-case basis. These could be called “transitional facilities”. Because the timing of the development of new major transmission spans so many years, from first permitting efforts to construction, it is difficult to lump all projects into one category. At the time of the formation of the Regional ISO, there will probably be less than 10 projects that will need to be reviewed and classified as to their beneficiaries and allocated as such in the Regional ISO transmission planning process and approved by the Board and appropriate advisory committees.

Then the definition of “new facilities” can remain as proposed in include facilities that are initially proposed in the Regional ISO Planning process.

3. The proposal defines “new facilities” as transmission projects planned and approved in an expanded TPP for the expanded BAA. Projects that are under review as potential “inter-regional” projects prior to the new PTO joining may be considered as “new” as long as the “existing” criteria are not met. Please comment on the potential inclusion of candidate inter-regional projects in the new facilities category.

As these types of projects would be probably classified as transitional projects under our proposal, we would recommend the above process for these types of facilities also.

4. Consistent with the previous straw proposal, the ISO proposes to recover the costs of existing facilities through sub-regional “license plate” TAC rates. The ISO’s decision to retain the previous proposal, rather than develop a new proposal for allocating some costs of existing facilities across the sub-regions, was based on the importance of retaining the

principle that only new facilities planned through the expanded TPP should be eligible for region-wide cost allocation. Please comment on the license plate approach and the logic for retaining that approach, as explained here and in the revised straw proposal.

UAMPS agrees that this is probably the best solution to this problem. We feel that as more PTOs join the Regional ISO, the problem may be minimized in the future.

5. “New facilities” will undergo a two-step process to determine eligibility for regional cost allocation. First, the project must be planned and approved through the integrated TPP for the expanded BAA. Second, the project must meet at least one of three criteria to be a “new regional facility” eligible for region-wide cost allocation. Please comment on the two-step process to determine “new facilities.”

UAMPS believes that another criteria should be added to evaluate the beneficiaries of each “new facilities” project. We can imagine some projects that meet the TPP and other criteria that still only benefit one sub-region. Following FERC’s cost causation principle, all projects should be evaluated to identify the beneficiaries.

6. The proposal would allocate the cost of new reliability projects approved solely to meet an identified reliability need within a sub-region entirely to that sub-region. Please comment on the proposed cost allocation for new reliability projects.

Again, the proposal for this type of facility seems generally reasonable, but a cost-beneficiaries analysis should be done to verify that only the sub-region benefits from the project.

7. The ISO proposes that a body of state regulators, to be established as part of the new regional governance structure, would make decisions to build and decide allocation of costs for new economic and policy-driven facilities. Please comment on this proposal.

UAMPS believes that this body, if formed in the regional governance structure, should include representatives of public power so that the body represents all of the end-use rate payers that would ultimately pay for the new facility in the Regional ISO. This point is being proposed in more detail in the Governance initiative.

8. Competitive solicitation to select the entity to build and own a new transmission project would apply to: (a) economic and policy-driven transmission projects approved by the body of state regulators for regional cost allocation, and (b) new projects whose costs are allocated entirely to one sub-region but are paid for by the ratepayers of more than one PTO within that sub-region. The ISO has determined that this policy is consistent with FERC Order 1000 regarding competitive solicitation. Please comment on this proposal.

No Comment

9. FERC Order 1000 requires that the ISO establish in its tariff “back-stop” provisions for approving and determining cost allocation for needed transmission projects, in the event that the body of state regulators is unable to decide on a needed project. The revised straw proposal indicated that the ISO would propose such provisions in the next proposal for this initiative. Please offer comments and your suggestions for what such provisions should be.

Is this a standard provision for multi-state ISO’s, or is it a provision in the current CAISO tariff due to it being located in a single state? UAMPS believes that it will be problematic if the Regional ISO “back-stops” a project because the States cannot agree on a “needed” project. If there isn’t an agreement for the project, we would question the need.

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.

UAMPS believes that there should be provisions for exceptions to this rule with some ongoing, load service transactions grandfathered at the sub-regional rate. For example, UAMPS has member loads in adjacent BA’s that they serve from resources within the PACE BA. Those loads should not be penalized due to the formation of the Regional ISO for the same reasoning that the license plate rate is being proposed.

11. The ISO proposed to retain the provision that once the BAA was expanded and a new TPP instituted for the expanded BAA, any subsequent PTO joining at a later date could

be responsible for a cost share of new regional facilities approved in the expanded TPP, based on the benefits the new PTO receives from each such facility. Please comment on this proposal.

UAMPS believes that this is an appropriate proposal.

12. The ISO dropped the proposal to recalculate sub-regional benefit shares for new regional facilities every year, and instead proposed to recalculate only when a new PTO joins the expanded BAA and creates a new sub-region, but at least once every five years. Please comment on this proposal.

UAMPS believes that this is an appropriate proposal.

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