

## **BAMx Comments on the CAISO Presentation on the Subscriber Participating Transmission Owner Model**

The Bay Area Municipal Transmission group (BAMx)<sup>1</sup> appreciates the opportunity to comment on the California Independent System Operator (CAISO)'s presentation (August 1<sup>st</sup>, Presentation, hereafter) discussed during the August 1, 2022 stakeholder meeting on the Subscriber Participating Transmission Owner (SPTO) Model and on the [application from TransWest Express Transmission Project \(TWE\)](#) to become a PTO.

### **BAMx Endorses CAISO's Proposal to Amend Transmission Control Agreement To Support Subscriber PTO Concept**

TransWest Express LLC has been granted negotiated rate authority by FERC and will offer long-term firm service to subscribers at negotiated rates. Consequently, TWE will derive revenues for long-term firm transmission service from its subscribers at negotiated rates and for other transmission services pursuant to a separate wheeling charge specific to the TWE Project. TransWest intends to execute the Transmission Control Agreement providing CAISO Operational Control of the TWE Project.<sup>2</sup>

BAMx strongly supports the SPTO concept and the CAISO's willingness to amend its TCA to facilitate TWE's proposed vehicle to accommodate this concept. Besides reducing the impact on the CAISO-wide Transmission Access Charge (TAC), it promotes cost causation as a recovery mechanism for those projects needed to deliver generation from out-of-State (OOS) and offshore wind (OW) projects. BAMx believes such a mechanism ensures Load Serving Entities (LSEs) choose to buy power from the most cost-effective projects. In addition to Sunzia and TWE projects, which are being developed on a subscriber basis, BAMx believes that the subscriber model should be applied to the remaining OOS projects. If this model was applied, it would have a tremendous impact on containing the cost of the ever-growing TAC.<sup>3</sup> BAMx's analysis indicates that if all the transmission projects needed to access OOS wind envisioned in the CAISO 20-year outlook were subject to the subscriber model, nearly \$9.95 billion of transmission costs would not be recovered via CAISO-wide TAC. As a result, the projected CAISO-wide HV TAC in 15-20 years from now would reduce by as much as \$7/MWh.<sup>4</sup>

BAMx appreciates CAISO's considerations for the SPTO Model listed in the CAISO's August 1<sup>st</sup>, Presentation.<sup>5</sup> We understand that the CAISO plans to flush out the details of amendments to the CAISO's existing Transmission Control Agreement (TCA) are required to support the TWE's application, in particular, and SPTO concept, in general.<sup>6</sup> BAMx may separately comment on these amendments as part of its comments per Section 2.2 of the TCA.

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<sup>1</sup> BAMx consists of City of Palo Alto Utilities and City of Santa Clara, Silicon Valley Power.

<sup>2</sup> TWE PTO Application, p.3.

<sup>3</sup> 20-Year Outlook, p.55.

<sup>4</sup> See BAMx's comments in the Draft 20-Year Transmission Outlook, dated February 22, 2022.

<sup>5</sup> August 1<sup>st</sup> Presentation, p.4.

<sup>6</sup> August 1<sup>st</sup> Presentation, p.9.

**Conclusion**

BAMx appreciates the opportunity to comment. BAMx would also like to acknowledge the significant effort of the CAISO staff in laying out the SPTO considerations and stakeholder engagement.

If you have any questions concerning these comments, please contact Paulo Apolinario ([papolinario@svpower.com](mailto:papolinario@svpower.com) or (408) 615-6630).