



Stakeholder Comments Template

Review TAC Structure Revised Straw Proposal

This template has been created for submission of stakeholder comments on the Review Transmission Access Charge (TAC) Structure Revised Straw Proposal that was published on April 4, 2018. The Straw Proposal, Stakeholder Meeting presentation, and other information related to this initiative may be found on the initiative webpage at:

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

Submitted by	Organization	Date Submitted
Efrain Sandoval esandoval@ci.vernon.ca.us (323) 826-1424	City of Vernon	04/24/18

Upon completion of this template, please submit it to initiativecomments@caiso.com.

Submissions are requested by close of business on **April 25, 2018**.

Please provide your organization's comments on the following issues and questions.

Hybrid billing determinant proposal

1. Does your organization support the hybrid billing determinant proposal as described in the Revised Straw Proposal?

Comment: City of Vernon continues to support CAISO hybrid billing determinant proposal conditioned upon CAISO releasing more detailed data to enable the stakeholders to independently assess and validate CAISO methodology and assessments. In Vernon's case, we can't independently verify the CAISO's cost impact assessment to Vernon presented in its revised straw proposal which does not appear to be correct if such assessment was based on Vernon's actual settlement data.

2. Please provide any additional general feedback on the proposed modification to the TAC structure to utilize a two-part hybrid billing determinant approach.

Determining components of HV-TRR to be collected under hybrid billing determinants

3. Does your organization support the proposal for splitting the HV-TRR for collection under the proposed hybrid billing determinant using the system-load factor calculation described in the Revised Straw Proposal?

Comment: City of Vernon supports CAISO's attempt to simplify the task of splitting the HV-TRR into volumetric and demand based cost components for recovery. Vernon agrees with the CAISO that detailed cost split based on transmission functions may prove to be controversial and overly burdensome and should be avoided.

4. Please provide any additional specific feedback on the proposed approach for splitting the HV-TRR costs for the proposed hybrid billing determinant.

Peak demand charge measurement design for proposed hybrid billing determinant

5. Does your organization support the proposed 12CP demand charge measurement as described in the Revised Straw Proposal?

Comment: City of Vernon conditionally supports the proposed 12CP demand charge measurement based on the 12 monthly coincidental peaks subject to CAISO releasing additional data to enable the stakeholders to independently assess and validate CAISO's straw proposal.

6. Please provide any additional feedback on the proposed design of the peak demand charge aspect of the hybrid billing determinant.

Treatment of Non-PTO entities to align with proposed hybrid billing determinant

7. Does your organization support the proposed modification to the WAC rate structure to align treatment of non-PTO entities with the proposed TAC hybrid billing determinant?

Comment: City of Vernon conceptually supports the alignment of hybrid billing determinant proposal to non-PTO entities subject to CAISO releasing additional data to enable the stakeholders to independently assess and validate CAISO's straw proposal.

8. Please provide any additional feedback related to the proposal for modification to the treatment of the WAC rate structure for non-PTO entities.

Additional comments

9. Please offer any other feedback your organization would like to provide on the Review TAC Structure Revised Straw Proposal.

Comment: City of Vernon seeks clarification from the CAISO on two additional issues regarding transmission cost recovery:

- PTO TRR recovery – City of Vernon seeks CAISO's confirmation that the CAISO is not proposing any changes to the current PTO TRR recovery mechanism, i.e. monthly recoveries based upon PTO-specific TAC rate on file with the FERC and PTO's actual gross load.

- City of Vernon seeks clarification from the CAISO on how CAISO intends to address the under and over-recovery of HV-TRR under the hybrid billing determinant proposal, e.g. understated volumetric and 12 CP billing determinants may lead to rates higher than necessary to recover HV-TRR leading to overcollection of HV-TRR. CAISO should also clarify how the under and over-recovery of HV-TRR by the CAISO could impact PTO in the recovery of its TRR.