

Stakeholder Comments Template

Review TAC Structure Stakeholder Working Groups

This template has been created for submission of stakeholder comments on the Review Transmission Access Charge (TAC) Structure Working Group Meetings that were held on August 29 and September 25, 2017. The working group presentations 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
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About the Western Power Trading Forum

The Western Power Trading Forum (WPTF) is a California nonprofit, public benefit corporation. It is a broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current high level of system reliability. WPTF supports uniform rules and transparency in order to facilitate transactions among market participants. The membership of WPTF includes load serving entities, energy service providers, scheduling coordinators, generators, power marketers, financial institutions, and public utilities, all of which participate actively in the California market, and other such markets in the West and across the country.

Comment Summary

WPTF cannot support the Clean Coalition's proposal at any conceptual level because it creates an uneven playing field for resources simply because of where they connect to the grid. Under the Clean Coalition proposal, incremental procurement of distribution resources would lower load-serving entities' allocation of existing transmission costs. This would drastically change the incentives to contract with distribution resources versus grid resources and not in a reasonable way. Fundamentally the proposal would introduce a harmful market distortion in the decision to contract with lowest cost, best located resources. While WPTF is sympathetic to some of the Clean Coalitions arguments, this market distortion goes against WPTF's tenets as an organization (as described above).

Comment Details

WPTF has the following specific comments related to the September 25 working group meeting and Clean Coalition proposal.

- The TAC rate should be used to recover costs and not send price signals.

- Power delivered to the distribution grid flows “up” to the transmission grid and power from the transmission grid flows “down” to the distribution grid. It is a fallacy to claim that all power on the distribution grid stays on the distribution grid.¹
- New transmission is approved for reliability, policy, or economic reasons.² The reasons for transmission being built benefits all load and no load should therefore be exempted from paying their share. In an extreme case a small load-serving entity could be predominately made up of distribution resources; however, it is clear that load (i.e. ratepayers) in their area still benefit from the high voltage transmission grid and the reliability it affords them.
- Distribution resources are not always renewable resources and therefore even under a state policy that prioritizes renewable development, the Clean Coalition proposal fails to incent a cleaner grid – it merely encourages a more locally energy sourced one.
- WPTF supports IEP’s September 19, 2017 [Comments](#), particularly their concerns on the Clean Coalition’s ratepayer saving analysis, and urges the CAISO to consider them within this comment round despite being submitted prior to the working group.

¹ As more aptly described by IEP on page 2 of their September 19 [comments](#).

² And already considers distribution resource penetration.