California ISO

Stakeholder Comments Template

Transmission Access Charge Structure Enhancements: Draft Final Proposal

This template has been created for submission of stakeholder comments on the Transmission Access Charge Structure Enhancements: Draft Final Proposal that was published on September 17, 2019. The Transmission Access Charge Structure Enhancements, 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/TransmissionAccessChargeStructureEnhancements.aspx

Submitted by	Organization	Date Submitted
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Upon completion of this template, please submit it to initiativecomments@caiso.com Submissions are requested by close of business on **October 9, 2019.**

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

Hybrid Billing Determinant Proposal

Please state your organization's position on the Hybrid Billing Determinant Proposal as described in the Transmission Access Charge Structure Enhancements: Draft Final Proposal: (Support, support with caveats or oppose)

If you replied supports with caveats or opposes, please further explain your position and include examples:

The hybrid proposal uses a combination of peak demand and energy to recover transmission costs. Given that transmission service has peak-related capacity costs, this is an improvement over the current energy-only cost recovery that ignores peak-related capacity costs. Those PTOs whose end-use customers use more energy that is coincident with the system peak will get assigned more cost under the hybrid method; the proposed approach offers the right incentives to reduce coincident peaks.

Therefore, CLECA supports the hybrid proposal to recover costs using both energy and peak demand.

CLECA is neutral on the five-step process described on page 15 to determine the energy and peak split. The resulting approximate 50-50 split does not appear to be unreasonable and the approach to calculate the split affords administrative ease.

In the current proposal, the CAISO will use historical PTO energy and PTO share of coincident peak load to calculate the coincident peak load which will be used to set the transmission rates. The prior draft proposed using a forecast. The historical approach is reasonable and does not have the added complexity of differences in forecast methodologies by participating transmission owners.

Additional comments

Please offer any other feedback your organization would like to provide on the Transmission Access Charge Structure Enhancements: Draft Final Proposal.

As CLECA mentioned in prior comments[1], the electrical grid is rapidly changing with more generation being placed behind the customer's meter or on the distribution system. As of June 20, 2018, there is about 7,000 MW of behind the meter solar photovoltaic (PV) capacity in place.[2] With the recent change in the building code to require zero net energy homes and businesses, that number is going to increase.[3] Net energy metering customers use the transmission system in a somewhat different way than traditional customers because they provide some of their own electric service. The use of storage in combination with solar PV will also alter the use of the transmission system as these customers could behave more like standby customers, relying on the grid to back up their onsite resources. These customers benefit from being connected to the electrical grid for reliability. In addition, the transmission system must be planned to serve such customers should their systems fail or extended cloud cover occur. They should have responsibility for paying for the service they receive from the transmission system.

We note that the CAISO has documented eight cases when system disturbances caused simultaneous outages to Solar PV systems on the transmission system between August 2016-Feburary 2017.[4] The study on the August 16, 2016, event by the North American Electric Reliability Corporation found a contributing factor was that the invertor settings used standards for inverters connected to the distribution system.[5] Unfortunately, the study did not investigate the impact on the distribution-connected solar PV which would also use inverter settings appropriate for the distribution system. Thus, is it possible that a system disturbance could cause the simultaneous loss of solar PV that is located on the distribution system as well. When

[1] CLECA comments submitted on February 18, 2018, at page 8.
[2] https://www.californiadgstats.ca.gov/. Includes behind the meter PV for investor own utilities and public owned utilities.
[3] The new building requirement does not require storage.
[4] CAISO, Loss of Solar Resources During Transmission Disturbances, July 24, 2017.
[5] North American Electric Reliability Corporation, *1,200 MW Fault Induced Solar Photovoltaic Resource Interruption Disturbance Report, Southern California 8/16/2016 Event*. See page 10.

these outages occur, customers are relying on the transmission system to deliver their power requirements.

If a PTO is serving customers whose load-serving entities are aggressive in offering incentives for distributed generation, it is not clear that the billing determinants of coincident peak load and energy would fully or fairly capture the costs and value of the standby-type reliability benefit being offered by the transmission system. CLECA recommends a future phase 2 effort to address this issue by exploring use of the transmission system by customers with distributed energy resources and consideration of possible additional billing determinants to recover transmission costs in an equitable manner.