



Letter in Response to TAC Initiative Straw Proposal

February 15, 2018

Dear Mr. Devon and the Market & Infrastructure Policy team,

East Bay Community Energy (EBCE) is a Joint Powers Authority formed on December 1, 2016 pursuant to California Government Code §§ 6500 et. seq. by the County of Alameda and each of the following cities incorporated therein: Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, Piedmont, San Leandro, and Union City. EBCE will be the largest operational Community Choice Aggregator (CCA) in PG&E's service territory when it launches in mid-2018.

EBCE submits this letter in response to the January 11 straw proposal. While EBCE agrees that benefits from transmission are not always exactly proportional to net energy consumption, EBCE urges the CAISO to consider whether there's a way to more equitably break down the value streams and costs accordingly rather than charging all end-use customers at the same volumetric rate. The views of stakeholders who strongly advocate for using the energy down flows at the T-D interfaces for the point of measurement as an alternative to the current end use customer metered demand point of measurement should not be summarily dismissed, but rather considered at greater length in a more complex formulation of how to allocate costs based on relative levels of benefits received.

The straw proposal devotes significant consideration as to whether the costs in the TAC relate to keeping the transmission system in order, but the question that needs to be further examined does not relate to *whether* the costs are needed, but rather *how* they should be distributed. The Straw Proposal includes the following language: "Under the second approach, a proposal should clearly demonstrate the linkage of the billing determinants to the usage and benefits of the current users of the grid that can be identified in a fair manner. To apply this consideration, the ISO should identify accurate methods of determining the usage of and benefits provided by the existing system." EBCE agrees; CAISO should continue to examine whether there are potential modifications that might better align TAC cost allocation with cost causation and the benefits provided and should further examine whether changing the point of measurement can be part of that solution.

Sincerely,

A handwritten signature in blue ink that reads "Melissa Brandt".

Melissa Brandt
Director of Regulatory Affairs