

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources (“DER”)—such as local renewables, advanced inverters, demand response, and energy storage—and we establish market mechanisms that realize the full potential of integrating these solutions. The Clean Coalition also collaborates with utilities and municipalities to create near-term deployment opportunities that prove the technical and financial viability of local renewables and other DER.

Other comments

Please provide any additional comments not associated with the topics above.

Comments:

Since the fall of 2015, the Clean Coalition has been urging CAISO to review the impact of the current structure of transmission access charges (“TAC”) on DER. Initially, we raised this issue in the TAC Options Initiative, and after some debate, CAISO moved the matter to Phase 2 of this proceeding. The Straw Proposal documents CAISO’s decision to remove this topic from the ESDER 2 initiative and to address the issue in the new “Review transmission access charge wholesale billing determinant” stakeholder initiative.

The Clean Coalition does not object to CAISO’s decision to move this issue to its third stakeholder initiative, and we are confident that there will be no further procedural delay in resolving this issue. We look forward to addressing the impact of current TAC assessment mechanisms on DER development and utility procurement in this new initiative as soon as possible.

We also wish to emphasize that the focus of our work is to correct the existing assessment mechanism's perverse impact in utility procurement decisions, resulting in an incentive to prefer transmission-reliant resources over DER and resulting in artificially increased demand for additional transmission capacity. This is a narrow problem for which a narrow solution is appropriate. Wholly reimagining or drastically revising the TAC system is not necessary to achieve this result. Rather, changing the method for measuring assessed MWh usage at the transmission energy downflow (i.e., the amount of energy crossing transmission interface substations from higher transmission voltages to lower distribution voltages) instead of Gross Load (i.e., energy aggregated at the customer meters) would resolve this problem.

If CAISO wishes to initiate a broader investigation into how the TAC system incentivizes usage during peak load conditions, this should be done in a separate initiative, and the Clean Coalition is happy to provide input and believes this is a legitimate but separate issue. However, the most immediate priority is to simply resolve the current unintended TAC impact on DER. Whether to consider the incentives that the current TAC system places on peak load conditions requires a much broader review of the TAC system. The Clean Coalition generally supports a demand charge solution to correct the incentives of customer behavior during peak load conditions. However, this would require much more work than our proposed change to the usage measurement methodology. To the extent that the question causes a delay to resolving the TAC impact on DER, the Clean Coalition respectfully urges CAISO to take up the larger issue in another initiative.