



CALIFORNIA ENERGY MARKETS®

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BillBoard

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CAISO Works on Transmission Access Charge Proposal ♦♦♦♦♦♦♦♦♦♦ [Jump to \[14.1\].](#)

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Price rEPort

Power Demand Tame Across Region *Details on Page 4.*

The Week in Summary

[1] Electrify America and Veloz Announcements Bolster EV Efforts

Electric and zero-emission vehicles and infrastructure in California could get a big boost in the next few years with an influx of another \$200 million through Electrify America's second investment cycle in the state and separately, the launch



of a new multimillion-dollar awareness campaign. The public-private Veloz

Vehicle-electrification efforts in California got a push with two big announcements on EV funding. *Photo: Pixabay*

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Calpine said in its Sept. 21 protest. The proposal could become a precedent for CAISO's allocation of other services to generation-only BAs, it added.

Gridforce Energy Management, a BA in the WECC region that also provides services to generation-only BAs, told FERC it has executed letters of intent to explore receiving RC services from CAISO and SPP. Gridforce said CAISO's proposal gives a competitive advantage to generators in BAs with both generation and load.

"CAISO has failed to perform any analysis whatsoever of the relative and admitted different level of costs associated with a generation-only balancing authority," Gridforce said.

The Bonneville Power Administration, which operates one of the largest balancing-authority areas in the Western Interconnection with more than 28,000 MW of installed generation capacity, told FERC it supported CAISO's proposal. BPA intends to receive RC services from CAISO, and said that throughout the ISO's stakeholder process, itself and others had major input into the proposal.

"Bonneville believes that the CAISO's significant experience in the Western Interconnection as a balancing authority and transmission operator makes it well-suited to be a reliability coordinator," BPA said.

CAISO in January said it "reluctantly" decided to depart Peak and become its own reliability coordinator after Peak announced a joint effort with PJM Connect to develop a Western power market that would compete with CAISO's own effort to expand its markets.

CAISO secured a prospective customer base for its RC services in relatively short order and Peak in July announced it was closing its doors, after a robust attempt to push its proposed new market in the West. Meanwhile, CAISO's own chance for a wider Western market through legislation pushed by Gov. Jerry Brown, AB 813, fizzled in the state Legislature in August. —**Jason Fordney**

[14.1] CAISO Developing Transmission Access Charge Proposal

Changes to the structure of the California Independent System Operator's transmission access charge that have been in place since 2001 are on the table, as the grid operator tackles macro planning issues such as how to best measure transmission system usage and where to measure it.

CAISO is taking comment through Oct. 9 on the changes to its TAC structure, detailed in a [draft final proposal](#) issued on Sept. 17. It has proposed a hybrid approach to the TAC—which is used to recover transmission revenue requirements—using both volumetric customer-usage measurements and peak demand to assess TACs.

In late 2015, CAISO opened a TAC initiative to consider the potential expansion of the grid operator's balancing-authority area to integrate a large external BAA such as PacifiCorp, but that initiative was limited to matters of transmission-cost allocation over a larger BAA. The Clean Coalition at the time suggested changes in how the TAC is assessed, but



CAISO on Sept. 17 issued its draft final proposal for its transmission access charge structure enhancements, with new rules that it says will more accurately reflect costs. Photo: Adobe

the ISO said that was outside the scope of the proceeding. CAISO in June 2016 opened a new initiative specifically to consider the Clean Coalition proposal.

The current volumetric-only approach has resulted in allocation of TAC in a way that benefits certain utility areas and negatively affects others, according to CAISO. The Clean Coalition proposed to modify the point where TAC is measured, and has been a strong proponent of using an hourly net-load measurement at each transmission-distribution interface substation to determine TAC instead of the current measurement of gross load, which measures the end-use metered load in each hour.

The Menlo Park-based Clean Coalition, which has a stated mission to remove barriers to procurement and interconnection of distributed energy resources, is focused on reducing transmission access charges where generation that is connected to the distribution system could serve part of the load in an area, resulting in lower usage of the transmission grid, and is strongly advocating for the change.

CAISO said its main objectives in the proposal are to reflect causes and drivers of costs when making decisions to invest in transmission infrastructure, and also to reflect how customers use it and benefit. It said it supports a rate structure that fairly links costs and benefits to users of the system.

Changes in the draft proposal include modifying the structure to use prior annual historic peak demand data to derive certain peak demand rates instead of forecast data. The ISO added a proposed two-year phase-in period for a "hybrid billing determinant" rate-structure proposal.

A volumetric-only approach is no longer appropriate due to changes in the system, as increasing customer-sited distributed generation shifts costs under this approach, CAISO said. Costs are reduced for utility distribution areas with more distributed generation and shifted to areas with less distributed generation, without related benefit. The proposed hybrid approach better aligns cost allocation with the capacity and reliability benefits provided by the system, according to the ISO. —**J. F.**