

# **Export Fee & Price Reciprocity in the Western Interconnection**

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# Summary Of the three RTO export fee proposals

- *RTO West*: Will charge an export fee for transmission service to loads that are external (I.e., require external interface access) to the RTO West footprint. The export fee is based upon the average cost of the RTO West transmission system (i.e., a system-wide postage stamp rate)

# Summary Of the three RTO export fee proposals

- ***Westconnect***: A wheeling-out rate, that is the higher of the averaged zonal rates or the zonal rate at the applicable scheduling point. The approach was developed to minimize cost shift during the transitional period

# Summary Of the three RTO export fee proposals

- **CAISO:** Wheeling Access Charges" to "Wheeling Out" and "Wheeling Through" transactions. The Wheeling Access Charges are based on the weighted average embedded transmission costs of the transmission owner(s) that own the associated tie point.
- High Voltage Wheeling Charge, Expost Gross export excluding amounts exempted due to Ets (per BA, per location, per month). The access rate at exist location= TAC Area rate, or weighted TAC rate if there are multiple owners from different TAC areas)

## FERC' s response to filings

- ***RTO West***: “Applicants’ proposal to asses an export fee based on the RTO West Transmission system is reasonable as a transitional pricing mechanism. Absent the imposition of an export fee or some other mechanism to recover the cost of transmission, customers outside the RTO West footprint would not contribute in the recovery of the cost of the transmission system.”
- ***Westconnect***: “Applicants’ proposal to asses the wheeling-out rate is reasonable as a transitional price mechanism.”
- ***CAISO***: The June 1,2001filing proposed to waive export fee but there is no response from FERC on this issue as of this date.

## SSG-WI Options Previously discussed

**Option 1:** Reciprocal waiver of Wheeling charges between approved RTOs.

**Option 2:** Transfer Payments between RTOs - RTOs would waive upfront Wheeling and Administrative charges; RTOs would settle charges/payments en masse on annual or other basis.

**Option 3:** Transfer Payments between Transmission Owners (TOs). Same as Option 2 except payments would be between and among TOs.

**Option 4:** West-wide uniform Wheeling Charge.