



December 22, 2022

Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: GridLiance West LLC, Docket No., ER23- -000  
Transmission Revenue Balancing Account Adjustment 2023 Annual Update**

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act ("FPA") and Part 35 of the Federal Energy Regulatory Commission's ("FERC" or the "Commission") regulations, GridLiance West LLC ("GridLiance West") submits for filing revisions to Appendix I of its Transmission Owner Tariff ("TO Tariff") to reflect the 2023 Annual Update of its Transmission Revenue Balancing Account Adjustment ("TRBAA"). The TRBAA is used by the California Independent System Operator Corporation ("CAISO") in calculating its Transmission Access Charges ("TAC") for the 2023 Rate Year. GridLiance West requests any necessary waivers by the Commission to allow this filing to become effective as of January 1, 2023.

**I. BACKGROUND**

The TRBAA is a ratemaking mechanism set forth in Section 5.5 of the GridLiance West Tariff that ensures each participating transmission owner that all transmission revenue credits ("TRCs") and adjustments for any over- or under-recovery of its annual transmission revenue requirement ("TRR"), specified in Sections 6 and 8 of Appendix F, Schedule 3 of the CAISO Tariff, flow through to transmission customers.<sup>1</sup>

The TRBAA is provided to the CAISO along with GridLiance West's TRR to develop appropriate charges under the CAISO Tariff. The TRBAA is recalculated annually consistent with the CAISO Tariff. Appendix F, Schedule 3, Section 8.1 of the CAISO Tariff provides that the revised TRBAA shall be effective January 1 of each year based on the balance in the Transmission Revenue Balancing Account ("TRBA") as of September 30 of the prior year and a forecast of the TRCs for the next year.

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<sup>1</sup> See GridLiance West TO Tariff, Section 5.5.

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## II. TRBAA ANNUAL UPDATE

As documented in the Prepared Direct Testimony of Stephanie Castaneda (attached hereto as Exhibit No. GLW-001) and the supporting workpapers, GridLiance West's revised High Voltage TRBAA for 2023 is (\$15,232,447). GridLiance West's Base TRR is determined pursuant to its formula rate in Appendix III of its TO Tariff, which is updated annually and posted to GridLiance West's corporate website. The TRBAA is the sum of the balance existing in the TRBA as of September 30, 2022, a good faith estimate of the TRCs that GridLiance West will receive during 2023, as well as interest associated with the current balance, calculated pursuant to the Commission's regulations and the CAISO Tariff.

## III. CONTENTS OF FILING

In support of this filing, GridLiance West has attached the following documents:

- Attachment A: Clean and redlines copies of GridLiance West's revised Appendix I to its TO Tariff;
- Exhibit No. GLW-001: Prepared Direct Testimony of Stephanie Castaneda;
- Exhibit No. GLW-002: Calculation of the TRBAA Balance for 2022;
- Exhibit No. GLW-003: Overview of TRBAA for 2023;
- Exhibit No. GLW-004: Calculation of Projected Transmission Revenue Credits for 2023.

## IV. EFFECTIVE DATE

To the extent required, GridLiance West requests a waiver of the sixty (60) day notice requirement, and any other waivers, as necessary to allow the TRBAA to become effective January 1, 2023. Granting this waiver is appropriate because the currently effective GridLiance West TO Tariff and CAISO Tariff specify that GridLiance West will update its TRBAA effective January 1 of each year. Accordingly, a waiver is consistent with Commission policy.<sup>2</sup>

## V. COMMUNICATIONS

GridLiance West requests that all correspondences and communications with respect to this filing be sent to the following:

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<sup>2</sup> See *Cent. Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992); see also *San Diego Gas & Elec. Co.*, 122 FERC ¶ 61,230 (2008) (granting waiver of prior notice requirements for San Diego Gas & Electric Company's 2008 TRBAA revision); *City of Vernon, Cal.*, Letter Order, Docket No. EL09-15 (2009) (granting waiver of prior notice requirements for City of Vernon's 2009 TRBAA revision).

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## VI. CONCLUSION

GridLiance West respectfully requests that the Commission accept the revised TRBAA to be effective January 1, 2023.

Respectfully submitted,

/s/ Kelsey Bagot  
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**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**GridLiance West LLC**

**Docket No. ER23-\_\_\_\_-000**

**Prepared Direct Testimony of Stephanie Castaneda  
on Behalf of  
GridLiance West LLC**

**I. INTRODUCTION**

**Q PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

A My name is Stephanie Castaneda, Executive Director of Finance of GridLiance Holdco, LLC (GridLiance), which wholly owns GridLiance West LLC (GridLiance West), the filing entity in this proceeding. I am employed by NextEra Energy Transmission that employs the executives and staff that work on behalf of GridLiance West and its other affiliates. My business address is 700 Universe Boulevard, Juno Beach, Florida, 33408.

**Q PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE.**

I graduated from Florida Atlantic University in 2003 with a Bachelor of Arts in Accounting and earned a Master of Business degree from Florida Atlantic University in 2012. Beginning in 2002, I was employed by McGladrey & Pullen, LLP as an external auditor and joined NextEra Energy in 2007. During my tenure at NextEra Energy, I have held various business management, accounting, and regulatory positions. I am a Certified Public Accountant licensed in the State of Florida.

**Q WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

A The purpose of my Prepared Direct Testimony is to support the calculation of GridLiance West's TRBAA for its high voltage transmission assets turned over to the operational control of the California Independent System Operator Corporation (CAISO). CAISO Participating Transmission Owners (PTO) are required to file a TRBAA annually with the FERC. Under the CAISO Tariff, the TRBAA must be filed to become effective on January 1, 2023.

**Q ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR DIRECT TESTIMONY?**

A Yes. In addition to my Prepared Direct Testimony, I am sponsoring Exhibit Nos. GLW-002 (Calculation of the TRBAA Balance for 2022), GLW-003 (Overview of the TRBAA for 2023), and GLW-004 (Calculation of Projected Transmission Revenue Credits for 2023).

**II. BACKGROUND****Q WHAT IS THE TRBAA?**

A As described in GridLiance West's Transmission Owner Tariff (TO Tariff), section 5.5, the TRBAA is designed to ensure that "all Transmission Revenue Credits and adjustments for any over-or under-recovery of its annual Transmission Revenue Requirement . . . flow through to transmission customers." In other words, the TRBAA was designed to ensure that each PTO recovers no more and no less than the FERC-approved Transmission Revenue Requirement (TRR) for each year.

**Q PLEASE DESCRIBE THE TRANSMISSION REVENUE CREDIT COMPONENT OF THE TRBAA.**

A Section 3.89 of GridLiance West's TO Tariff defines a Transmission Revenue Credit (TRC) as "[t]he proceeds received from the ISO (other than for the recovery of the Participating TO's High Voltage and Low Voltage Transmission Revenue Requirement through the High Voltage and Low Voltage Transmission Access Charges) and charges imposed by the ISO that are received and paid by the Participating TO in its role as Participating TO." Functionally, this definition includes any wheeling revenues that were received by GridLiance West from the CAISO in addition to the recovery of its High Voltage TRR through the Transmission Access Charge (TAC). By adjusting its TRR through the use of TRCs, GridLiance West can ensure that it does not over-recover its High Voltage TRR when it receives wheeling revenues in addition to revenues associated with its High Voltage TRR.

**Q PLEASE DESCRIBE THE OVER- OR UNDER-RECOVERY COMPONENT OF THE TRBAA.**

A Under the CAISO Tariff, a PTO recovers its High Voltage TRR through TAC payments that represent a utility's actual gross load multiplied by its utility-specific TAC rate. However, the actual gross load experienced during a given year is unlikely to align precisely with the gross load estimate used to determine rates in the TO Tariff of the CAISO participant. This results in an over- or under-collection by each PTO each year that must be trued-up.

**Q HOW DOES THE TRBAA MECHANISM OPERATE?**

A PTOs are required to file an annual TRBAA with an effective date of January 1 that reconciles any difference between their projected TRCs and their actual TRCs, and that captures any over- or under-collection of the TRR during the past year, plus interest. In addition, the TRBAA establishes a good faith projection of the PTO's TRCs for the following calendar year. Under its TO Tariff, GridLiance West's TRBAA is calculated in accordance with the CAISO Tariff, as set forth below:

The TRBAA shall be equal to:

$$\text{TRBAA} = \text{Cr} + \text{Cf} + \text{I}$$

Where:

Cr = The principal balance in the Transmission Revenue Balancing Account ("TRBA") recorded in FERC Account No. 254 as of September 30 of the year prior to commencement of the January billing cycle. This balance represents the unamortized balance in the TRBA from the previous period and the difference in the amount of revenues or expenditures from Transmission Revenue Credits and any over- or under-recovery of its annual Transmission Revenue Requirement and the amount of such revenues or expenditures that has been refunded to or collected from customers through operation of the TRBAA;

Cf = The forecast of Transmission Revenue Credits, if any, for the following calendar year; and

I = The interest balance for the TRBA, which shall be calculated using the interest rate pursuant to Section 35.19(a) of FERC's regulations under the Federal Power Act (18 CFR Section 35.19(a)). Interest shall be calculated based on the average TRBA principal balance each month, compounded quarterly.

GridLiance West TO Tariff § 5.5.

**Q HOW DOES THE TRBAA FACTOR INTO GRIDLIANCE WEST'S TRR?**

A As described above, GridLiance West is required to calculate the TRBAA based on the twelve-month period ending September 30 each year to incorporate TRCs and adjustments for any over- or under-recovery of its TRR. As set forth in Appendix I of

TO Tariff, the TRR for GridLiance West is the sum of the Base Transmission Revenue Requirement (“Base TRR”) and the TRBAA. The Base TRR is determined pursuant to the Commission-approved formula rate in Appendix III of the TO Tariff, which is updated annually and posted to GridLiance West’s website.

**Q IS THE CURRENT TRBAA CALCULATED IN THE SAME MANNER AS PRIOR YEARS?**

A Yes. The TRBAA is calculated in the same manner as the TRBAA for the 2022 Rate Year that was filed by GridLiance West on October 29, 2021 in Docket No. ER22-287-000.

**III. CALCULATION OF THE TRBAA**

**Q PLEASE DESCRIBE THE CALCULATION OF THE TRBAA FOR GRIDLIANE WEST, TO BE EFFECTIVE JANUARY 1, 2023.**

Exhibit No. GLW-002 calculates the TRBA closing balance for September 30, 2022 (the “Cr” component in the TRBAA calculation of GridLiance West’s TO Tariff). The opening balance for this period is a negative \$3,634,406. As shown on Exhibit No. GLW-002, the High Voltage TRBA for the months of October 2021 through September 2022 results in a TRBA balance of negative \$9,079,027 on September 30, 2022, including interest calculated pursuant to the TO Tariff.

Exhibit No. GLW-003 is a summary of the elements of the High Voltage TRBAA. Following the “Cr + Cf + I” formula set forth in GridLiance West’s TO Tariff, the September 30, 2022 negative balance of \$9,079,027 is combined with negative \$6,153,420 for the 2023 TRC projection to produce a High Voltage TRBAA of negative \$15,232,447.



**Q HOW DID YOU TREAT TRCS FOR THE PURPOSE OF DETERMINING THE TRBAA TO BE EFFECTIVE JANUARY 1, 2023?**

A GridLiance West projected its 2023 TRCs using the average monthly level of wheeling-related TRCs that GridLiance West received during the 2021 to 2022 TRBA period. Exhibit No. GLW-004 shows the calculation of the projected TRCs for 2023. This good faith effort to project TRCs has been accepted by the FERC in prior TRBAA filings.

**Q DID GRIDLIANCE WEST RECEIVE ANY FORFEITED FUNDS OR PENALTY PAYMENTS FROM CAISO DURING THE HISTORICAL PERIOD COVERED BY THIS FILING?**

A CAISO distributed \$24,475.12 of forfeited funds on September 13, 2022.

**Q WHAT IS THE TRBAA FOR GRIDLIANCE WEST THAT IS PROPOSED TO BECOME EFFECTIVE JANUARY 1, 2023?**

A As noted above, the revised TRBAA proposed to become effective January 1, 2023 is negative \$15,232,447. As shown in the redlined tariff sheets included in this filing, this TRBAA value effective January 1, 2023 would replace the TRBAA value of negative \$7,815,570 currently in effect for 2022.

**Q DOES THIS CONCLUDED YOUR PREPARED DIRECT TESTIMONY?**

A Yes.

Exhibit GLW-002

GLW TRBAA Calculation

Line No.	Invoice Year / Calendar Year	2021	2021	2021	2022	2022	2022	2022	2022	2022	2022	2022	2022	Total
	Invoice Month / Calendar Month	October	November	December	January	February	March	April	May	June	July	August	September	
	Trade Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
1	In Service Days for Trade Month	30	31	30	31	31	28	31	30	31	30	31	31	
2	Annual Base TRR	37,638,003	37,638,003	37,638,003	37,638,003	34,407,725	34,407,725	34,407,725	34,407,725	34,407,725	34,407,725	34,407,725	34,407,725	
TRBA Calculation														
3	Prorated Base TRR	Line 2 * Line 1/Days in Year	3,093,535	3,196,652	3,093,535	3,196,652	2,922,300	2,639,497	2,922,300	2,828,032	2,922,300	2,828,032	2,922,300	2,922,300
4	Actual TAC Payments - Initial for Trade Month	From CAISO Invoices	3,225,668	2,797,273	2,604,764	2,846,033	2,689,825	2,322,092	2,503,730	2,450,294	2,659,830	3,031,975	3,324,990	3,688,830
5	Actual TAC Payments - Refunds & Adjustments	From CAISO Invoices	155,830	94,953	30,232	64,159	46,692	(37,938)	21,897	(65,340)	60,311	51,765	81,439	(158)
6	Actual Wheeling Payments - Initial for Trade Month		247,112	78,526	45,965	43,304	30,611	50,346	44,241	312,536	399,910	1,329,116	2,013,446	1,526,395
7	Actual Wheeling Payments - Refunds and Adjustments		(52)	5	(38)	(157)	(824)	(732)	(159)	(128)	(521)	975	1,871	31,668
8	Net Payments After Refunds	Lines 4 + 5 + 6 + 7	3,628,558	2,970,757	2,680,923	2,953,339	2,766,303	2,333,769	2,569,709	2,697,362	3,119,530	4,413,832	5,421,746	5,246,734
9	(Over) Under Collection	Line 3 less Line 8	(535,023)	225,896	412,611	243,314	155,996	305,728	352,591	130,671	(197,230)	(1,585,800)	(2,499,446)	(2,324,434)
TRBA Monthly Balance														
10	Beginning TRBA Balance	Line 13, Previous Month	(3,634,406)	(4,169,429)	(3,943,534)	(3,530,923)	(3,319,531)	(3,163,535)	(2,857,806)	(2,531,062)	(2,400,391)	(2,597,621)	(4,204,100)	(6,703,546)
11	(Over) Under Collection	Line 9	(535,023)	225,896	412,611	243,314	155,996	305,728	352,591	130,671	(197,230)	(1,585,800)	(2,499,446)	(2,324,434)
12	Interest	Line 19, Quarter End				(31,922)			(25,846)			(20,679)		
13	Ending TRBA Balance	Sum (Lines 10, 11, & 12)	(4,169,429)	(3,943,534)	(3,530,923)	(3,319,531)	(3,163,535)	(2,857,806)	(2,531,062)	(2,400,391)	(2,597,621)	(4,204,100)	(6,703,546)	(9,027,980)
14	Last Quarter Interest	Line 19, September Column												(51,047)
15	Ending Balance - TRBAA	Line 13 + Line 14, Total Column												(9,079,027)
Interest Calculation														
16	Interest Rate	Note 1	0.28%	0.27%	0.28%	0.28%	0.25%	0.28%	0.27%	0.28%	0.27%	0.31%	0.31%	0.30%
17	Average Balance	(Line 10 + Line 13)/2	(3,901,918)	(4,056,482)	(3,737,228)	(3,425,227)	(3,241,533)	(3,010,670)	(2,694,434)	(2,465,726)	(2,499,006)	(3,400,860)	(5,453,823)	(7,865,763)
18	Interest	Line 16 * Line 17	(10,770)	(10,836)	(10,316)	(9,455)	(8,082)	(8,310)	(7,197)	(6,806)	(6,675)	(10,543)	(16,907)	(23,597)
19	Quarterly Compounding				(31,922)			(25,846)			(20,679)			(51,047)
Note 1														
	FERC Interest Rates <sup>1</sup>													
	Annual Rate	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.60%	3.60%	3.60%
	Days in Invoice / Calendar Month	31	30	31	31	28	31	30	31	30	31	31	31	30

<sup>1</sup> Source: <https://ferc.gov/enforcement-legal/enforcement/interest-calculation-rates-and-methodology>

<sup>2</sup> Includes Generator Interconnection Process Forfeited Deposit Allocation

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**Exhibit GLW-003**

**TRANSMISSION REVENUE  
BALANCING ACCOUNT ADJUSTMENT  
OVERVIEW  
CALENDAR YEAR 2022**

Prepared by  
GridLiance West LLC

DESCRIPTION	TOTAL	REFERENCE
TRBA Balance 9/30/2022	(\$9,079,027)	GLW-002
Transmission Revenue Credit Forecast 2023	(\$6,153,420)	GLW-004
TRBA Adjustment 2023	(\$15,232,447)	TO Tariff Appendix I

### Transmission Revenue Credit Forecast 2023

[illegible]

## **APPENDIX I**

### **Transmission Revenue Requirement and TRBAA**

1. The GridLiance West Base Transmission Revenue Requirement shall be determined pursuant to the formula rate in Appendix III of this TO Tariff.
2. The TRBAA is (\$15,232,447) for the twelve-month period effective January 1, 2023, as computed in accordance with Section 5.5 of this TO Tariff and the ISO Tariff.
3. All of GridLiance West's facilities and Entitlements placed under the ISO's Operational Control are related to High Voltage Facilities as defined in the ISO Tariff.
4. The TRBAA will be recalculated annually consistent with the ISO Tariff, approved by the FERC and provided to the ISO.

## APPENDIX I

### Transmission Revenue Requirement and TRBAA

1. The GridLiance West Base Transmission Revenue Requirement shall be determined pursuant to the formula rate in Appendix III of this TO Tariff.
2. The TRBAA is ~~(\$7,815,570)~~ (\$15,232,447) for the twelve-month period effective January 1, 2023, as computed in accordance with Section 5.5 of this TO Tariff and the ISO Tariff.
3. All of GridLiance West's facilities and Entitlements placed under the ISO's Operational Control are related to High Voltage Facilities as defined in the ISO Tariff.
4. The TRBAA will be recalculated annually consistent with the ISO Tariff, approved by the FERC and provided to the ISO.

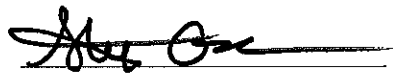
**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**GridLiance West LLC**

**Docket No. ER23-\_\_-000**

**VERIFICATION**

Pursuant to 18 C.F.R. § 385.2005(b)(3), I attest that I have read and know the contents of the foregoing Direct Testimony and the exhibits annexed thereto; that they were prepared by me or under my direct supervisions; and that the answers contained therein are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read 'Stephanie Castaneda', written over a horizontal line.

Stephanie Castaneda

Dated: December 19, 2022



FERC rendition of the electronically filed tariff records in Docket No. ER23-00735-000

Filing Data:

CID: C005519

Filing Title: GLW TRBAA 2023 Annual Update Filing

Company Filing Identifier: 12282022

Type of Filing Code: 10

Associated Filing Identifier:

Tariff Title:

Tariff ID: 33

Payment Confirmation:

Suspension Motion: Y

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Appendix I, TRR and TRBAA, 8.0.0, A

Record Narrative Name:

Tariff Record ID: 56

Tariff Record Collation Value: 1800 Tariff Record Parent Identifier: 0

Proposed Date: 2023-01-01

Priority Order: 520

Record Change Type: Change

Record Content Type: 1

Associated Filing Identifier:

## **APPENDIX I**

### **Transmission Revenue Requirement and TRBAA**

1. The GridLiance West Base Transmission Revenue Requirement shall be determined pursuant to the formula rate in Appendix III of this TO Tariff.
2. The TRBAA is (\$15,232,447) for the twelve-month period effective January 1, 2023, as computed in accordance with Section 5.5 of this TO Tariff and the ISO Tariff.
3. All of GridLiance West's facilities and Entitlements placed under the ISO's Operational Control are related to High Voltage Facilities as defined in the ISO Tariff.
4. The TRBAA will be recalculated annually consistent with the ISO Tariff, approved by the FERC and provided to the ISO.

## Document Content(s)

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