

AESO Consultation –2020 Budget Review Process (2020 BRP), Invitation to Stakeholders and Supporting Material September 30, 2019

The AESO has asked market participants and interested parties to participate in the AESO’s consultation regarding its 2020 Business Plan and Budget. Related stakeholder comments regarding the invitation and supporting material are provided in the following matrix. The matrix also includes AESO management’s response to the stakeholder comments.

Invitation to Participate

Do stakeholders accept the invitation to participate in the 2020 BRP?

Alberta Direct Connect (“ADC”)

ADC accepts the invitation to participate.

Best Consulting Solutions Inc. (“Best”)

I would like to participate in the process and have no comments on the materials posted.

Capital Power Corporation (“Capital Power”)

Capital Power accepts the invitation to participate in the AESO’s 2020 BRP.

ENMAX Corporation (“ENMAX”)

Yes, ENMAX would like to actively participate in the process and requests the opportunity to be made aware of any developments relating to the AESO’s 2020 Budget Review Process.

Heartland Generation Ltd. (“Heartland”)

Heartland accepts the invitation to participate in the 2020 BRP.

Independent Power Producers Society of Alberta (“IPPSA”)

IPPSA wishes to participate in the 2020 BRP and appreciates the opportunity to do so. Our principal interest is to see the AESO lower its own costs and therefore trading charge.

Industrial Power Consumers Association of Alberta (“IPCAA”)

Yes.

TransAlta Corporation (“TransAlta”)

TransAlta accepts the invitation to participate in the 2020 BRP.

AESO Response

Comments noted. The Alberta Electric System Operator (AESO) thanks stakeholders for their participation, commitment and support of the process.

Terms of Reference

Do stakeholders agree with or have comments on the principles set out in the Terms of Reference?

ADC

ADC agrees with the principles set out in the terms of reference.

AESO Response

Comment noted.

Capital Power

Capital Power has no comments at this time.

AESO Response

Comment noted.

ENMAX

ENMAX has no issues with the comments and principles set out in the Terms of Reference at this time.

AESO Response

Comment noted.

Heartland

The fifth bullet point indicates that “stakeholders will have the opportunity to comment on each other’s comments”. However, Heartland does not see where this step is indicated in the proposed process or calendar. The AESO should indicate when this opportunity to comment will occur and whether it will be in writing or in-person. If this opportunity to comment occurs after the AESO posts its replies to comments, then there should be a step whereby the AESO will reply to the second phase of comments.

AESO Response

Comments noted. Stakeholders will have an opportunity to discuss other stakeholder’s comments in addition to their own comments at various times during the process. Specifically, during Step 5 of the BRP, *Stakeholders make oral or written presentations to the AESO Board on issues of disagreement or concern (multi-lateral) based on comments submitted in one of the earlier steps.* Stakeholders may submit written presentations after the stakeholder comments on the business initiatives and forecasts and own costs have been published earlier in the process. Also, stakeholders may provide comments on other stakeholder’s comments regarding the business initiatives when they submit their comments on the AESO’s forecasts and own costs.

IPPSA

IPPSA finds the Terms of Reference to be generally acceptable. IPPSA members may provide their own comments.

AESO Response

Comment noted.

IPCAA

Yes – agree. No comments at this time.

AESO Response

Comment noted.

TransAlta

We agree with the principles set out in the terms of reference.

AESO Response

Comment noted.

Process Steps

Do stakeholders agree with or have comments on the steps identified in the 2020 BRP?

ADC

ADC supports the steps outlined in the 2020 BRP.

AESO Response

Comment noted.

Capital Power

Capital Power has no comments at this time.

AESO Response

Comment noted.

ENMAX

ENMAX has no issues or comments on the steps identified in the 2020 BRP at this time.

AESO Response

Comment noted.

Heartland

The steps identified by the AESO seem appropriate for the 2020 BRP.

AESO Response

Comment noted.

IPPSA

IPPSA finds the steps proposed for the 2020 BRP to be acceptable. IPPSA members may provide their own comments.

AESO Response

Comment noted.

IPCAA

Yes – agree. No comments at this time.

AESO Response

Comment noted.

TransAlta

We generally agree with the process steps. As a matter of efficiency, we see no clear reason why steps 2 and 3 could not be done concurrently (the development of strategies and business initiatives is not directly tied to ancillary services and transmission line loss cost forecasts).

AESO Response

Comments noted. The AESO develops the business initiatives and the AESO own cost budget in a somewhat iterative manner. Presenting the business initiatives in advance of the AESO own cost budget allows the AESO time to assess stakeholder feedback provided on the AESO's proposed business initiatives and then determine any impact on the AESO's proposed own cost budget. The ancillary services and wires, transmission line loss cost forecasts are provided at the same time as the AESO own cost budget to provide a complete picture of the AESO's costs in one meeting.

Calendar and Schedule

Do stakeholders agree with the proposed BRP stakeholder calendar? Are there any comments regarding the meetings scheduled?

ADC

ADC can participate in the scheduled meetings if there is a teleconference/videoconference option.

AESO Response

Comment noted. The AESO will provide teleconferencing for the meetings.

Capital Power

It is not clear in the proposed BRP stakeholder calendar if materials for the Business Initiatives (Oct 30th) and Technical Meetings (November 29th) will be distributed in advance. To allow stakeholders an adequate amount of time to review and prepare for meaningful discussion with the AESO, Capital Power encourages the AESO to distribute materials a week prior to the scheduled meetings. The AESO's 2017-2018 BRP stakeholder calendar included material distribution dates and continuance of this practice aligns with the BRP Terms of Reference wherein it states that "the AESO will endeavor to provide as much information as is reasonably possible to ensure stakeholders have all information relevant to the subject matters under review".

AESO Response

As in previous years, the AESO will endeavor to distribute the materials in advance of the meetings.

ENMAX

ENMAX has no issues or comments on the proposed BRP stakeholder calendar at this time.

AESO Response

Comment noted.

Heartland

Within step 3.0 the AESO provides documents to stakeholders in advance of holding a technical meeting, however this activity does not have a proposed date on the calendar. Heartland suggests that the publication of these documents could be combined with the web posting of comments and replies regarding Business Initiatives on November 22, 2019. This would allow stakeholders 5 business days to review the material prior to the technical meeting held on November 29, 2019.

Heartland proposes that the opportunity to comment on other stakeholder's comments should be included in the BRP stakeholder calendar to align with the BRP Terms of Reference.

AESO Response

Comment noted. See response to Capital Power's comment above and the response to Heartland's comment in the "Terms of Reference" section on page 3 of this document.

IPPSA

IPPSA finds the BRP calendar generally acceptable. IPPSA members may provide their own comments.

AESO Response

Comment noted.

IPCAA

IPCAA has no immediate concerns with the proposed calendar.

AESO Response

Comment noted.

TransAlta

We generally agree that the BRP stakeholder calendar is reasonable. While we recognize that the 2020 budget process was delayed due to unexpected circumstances (the cancellation of the capacity market), we believe that the most desirable practice is to ensure the budget is approved before the start of the applicable year. Our agreement with the proposed schedule should not be interpreted as a general acceptance of a budgeting practice that approves budgets after the start of the budget year.

AESO Response

Comments noted. Agreed, the most desirable practice is to ensure the budget is approved before the start of the applicable year.

Other Comments

Do stakeholders have any other comments to offer at this time?

ADC
ADC appreciates the opportunity to participate in the process.

Capital Power
Capital Power appreciates the opportunity to participate in the BRP Process.

ENMAX
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Heartland
Heartland does not have any further comments to offer at this time.

IPPSA
IPPSA has no further comment at this time.

IPCAA
N/A

TransAlta
No comments at this time.

AESO Response
Comments noted.