

Stakeholder Comment Matrix – March 25, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 5



Period of Comment: March 25, 2021 through April 15, 2021	Contact: Hao Liu/Rob Senko
Comments From: AltaLink	Phone: (403) 710-1247/(403) 874-6762
Date: [2021/04/15]	Email: Hao.liu@altalink.ca / Rob.senko@altalink.ca

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **April 15, 2021**.

The AESO is seeking comments from Stakeholders on Session 5. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	Please comment on Session 5 hosted on March 25, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The session was useful because the AESO and their consultant presented their preferred rate design.
2.	Please comment on Technical Information Session II hosted on March 31, 2021 (if you attended). Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The session was useful because the AESO provided some clarification on the mechanics of the proposed rate design.
3.	Are you supportive of the AESO's preferred rate design? Why or why not?	<p>AltaLink is not supportive of the AESO's preferred rate design. The proposed rate design will not stop the increase in bypass of transmission costs or the existing cost shifting that has been occurring under the AESO's current rate structure. AltaLink supports a principled rate design approach that reflects both costs and benefits of the transmission system. Tariffs should be fair, equitable and minimize inter-customer cost shifting. A principled rate design will seek to balance fair recovery of fixed transmission costs with price signals that encourage efficient use of the existing system without incenting inefficient behaviour.</p> <p>Current transmission rates have led to strong customer response to avoid coincident peaks, but have not brought about reduced transmission costs – a situation recognized by the AESO in their previous presentations to stakeholders. The energy charge in the proposed rate design is similarly inefficient. The proposed rate structure will encourage development of otherwise uneconomic behind the fence generation that will shift transmission costs to other customers.</p> <p>AltaLink believes the value of being connected to the grid should be reflected in the AESO's rate design so that all connected load pays a fair share of costs. A fair and equitable rate design should recognize that transmission costs are fixed and should be recovered in that fashion.</p>

	Questions	Stakeholder Comments
4.	<p>Do you believe the AESO's preferred rate design meets the AESO's rate design objectives? Why or why not?</p> <ul style="list-style-type: none"> a) <u>Reflect Cost Responsibility</u> (Cost recovery is based on cost causation, reflecting how transmission customers use the existing grid*) b) <u>Efficient Price Signals</u> (Price signal to alter behavior to avoid future transmission build) c) <u>Minimal Disruption</u> (Customers that have responded to the 12-CP price signal and invested to reduce transmission costs are minimally disrupted) d) <u>Simplicity</u> (Simplicity and clear price signals while achieving design objectives) e) <u>Innovation and Flexibility</u> (ISO tariff provides optionality for transmission customers to innovate while not pushing costs to other customers) <p>*AUC Decision 22942-D02-2019 **Proposed rate design must fit within current legislation</p>	<p>Please refer to AltaLink's response to question 3 above.</p>
5.	<p>Are there considerations that the AESO should include, exclude and/or modify in its preferred rate design to better achieve the AESO's rate design objectives? Please specify and include your rationale.</p>	<p>Please refer to AltaLink's response to question 3 above.</p>
6.	<p>Please describe any areas in which you are aligned with the AESO's preferred rate design.</p>	<p>Please refer to AltaLink's response to question 3 above.</p>
7.	<p>Are the assumptions the AESO used for the rate impact reasonable? Is there additional information that would help improve your understanding of rate impacts?</p>	<p>Please refer to AltaLink's response to question 3 above.</p>

8.	<p>Are you supportive of the AESO's consideration of modernizing DOS, including its suitability for an energy storage charging capacity? Why or why not?</p> <p>And if so, provide your comments on the consideration of the AESO's DOS eligibility requirements, including for energy storage.</p>	<p>AltaLink supports the use of a Demand Opportunity Service as a means of increasing use of the transmission system.</p>
9.	<p>Please describe what components of the current DOS implementation (i.e., rate, terms, and conditions) limit the use of excess transmission capacity (i.e., capacity that would not otherwise be used under Rate DTS).</p> <p>How might those components of DOS be improved?</p>	<p>No comment.</p>
10	<p>Do you have any comments on the AESO's targeted engagement approach for mitigation discussions?</p>	<p>Please refer to AltaLink's response to question 13 below.</p>
11	<p>Are there further considerations that the AESO should include, exclude and/or modify in the mitigation option starting principles? Please specify and include your rationale.</p> <ol style="list-style-type: none"> 1. <u>Limit the rate impact for customers</u>: Mitigate rate impact to under 10 per cent increase to a party's transmission bill for initial stage of transition 2. <u>Adapt with design and rates</u>: Ensure options are adaptable to changes to the proposed design and forecast rates 3. <u>Consistent application</u>: Mitigation options can be applied consistently across all impacted loads and not be individually defined 4. <u>Administrative simplicity</u>: Feasible to implement with current tools and systems 5. <u>Mutually acceptable</u>: Account for feedback from broad stakeholder group 	<p>Please refer to AltaLink's response to question 13 below.</p>

12	Based on the AESO's mitigation options assessment, are there further considerations that the AESO needs to include, exclude and/or modify (e.g., temporary versus permanent)? Please specify and include your rationale.	Please refer to AltaLink's response to question 13 below.
13	Are you in favour of some type of mitigation? Why or why not? If you are in favour of some type of mitigation, how would you assess whether a proposed mitigation approach is acceptable?	AltaLink supports rate mitigation that results in a just and fair transition to new rates. Customers who made investments under current rates must be treated fairly.
14	In your view, should the AESO provide participants with more flexibility to adjust contract capacity, specifically by way of a contract reset period with the implementation of new rates and/or a PILON waiver if the contract level has not changed in the previous five years?	Please refer to AltaLink's response to question 3 above.
15	Do you have any additional implementation considerations the AESO should consider?	No.
16	Do you have additional clarifying questions that need to be answered to support your understanding?	No.
17	Additional comments	None.

Thank you for your input. Please email your comments to: tariffdesign@aeso.ca.