

Stakeholder Comment Matrix & Proposal Evaluation – Nov. 5, 2020

Bulk and Regional Tariff Design Stakeholder Engagement Session 3



Period of Comment: Nov. 5, 2020 through Nov. 20, 2020	Contact: Grant Pellegrin
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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 evaluation to tariffdesign@aeso.ca by **Nov. 20, 2020**.

The AESO is seeking comments from Stakeholders on Session 3 and the preferred rate design option proposals. Please be as specific as possible with your responses.

Questions	Stakeholder Comments
1. Please comment on Session 3 hosted on Nov. 5, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Overall the session was well run
2. Please complete Table 1: How Did Each Proposal Achieve the Rate Design Objectives for each of the proposals presented at Session 3.	See table 1
3. Which rate design option proposal, including the AESO's bookends A and B presented at Session 2, did you prefer? Why?	Cenovus prefers proposal 1, cost causation must be the foundation for rate design, CP has been proven to best allocate cost based on cost causation. The Transmission Regulation and Distribution inquiry should be completed first and the Tariff design should only be changed to reflect updates to the Transmission Regulation, if required.

Questions	Stakeholder Comments
	<p>The industry has extensively developed Cogeneration on site alleviating the need for transmission to be built to serve these customers, if this investment had not been made the transmission requirements in the province would likely be significantly higher. Option 1 accurately recognizes the cost avoidance this investment in cogen has brought to all ratepayers in the province.</p>
<p>4. Does your preferred proposal meet all the rate design objectives?</p> <p>If not, what trade-offs does your preferred proposal create between the rate design objectives?</p> <p>Why are those trade-offs appropriate?</p>	<p>Yes. Please see table below.</p>
<p>5. Which stakeholders are best served (or least impacted) by your preferred proposal? Why?</p>	<p>Best served/most or least impacted should not be the focus of the tariff. Tariff designs is not a popularity contest. All customers are impacted by the high transmission costs experienced in Alberta and all customers benefit from a tariff that accurately allocates cost, provides price signals to customers to avoid using power during peak/scarcity events and encourages on site investment that avoids the need for transmission build lowering cost for all consumers.</p>
<p>6. a) Which stakeholders are most impacted by your preferred proposal? Why?</p> <p>b) What mitigations, if any do you recommend for those who would be impacted by your preferred proposal?</p>	<p>See Answer 5</p>
<p>7. a) How would energy storage resources be treated in your preferred proposal?</p> <p>b) Does your preferred proposal include specific elements in relation to tariff treatment for energy storage? Why or why not?</p>	<p>Energy storage is not specifically addressed in option 1, energy storage should be treated in a FEOC matter.</p>
<p>8. What are the challenges or unresolved questions with your preferred proposal?</p>	<p>There are minimal challenges with Option 1. This rate design has been approved previously on several occasions by the AUC. The 12 CP price signal is strong and effective.</p>

Questions	Stakeholder Comments
9. Additional comments	

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

Table 1: How Did Each Proposal Achieve the Rate Design Objectives

Objective	Description	Example	Proposal 1 ADC, DUC and IPCAA	Proposal 2 Energy Storage Canada	Proposal 3 CWSAA, UCA, AML, and Conoco	Proposal 4 CCA	Proposal 5 CanREA	Proposal 6 RMP Energy Storage	Proposal 7 Suncor Energy Inc.
Reflect Cost Responsibility	Cost recovery is based on the benefit and value transmission customers receive from the existing grid								
Efficient Price Signals	Price signal to alter behavior to avoid future transmission build								
Minimal Disruption	Customers that have responded to the 12-CP price signal and invested to reduce transmission costs are minimally disrupted								
Simplicity	Simplicity and clear price signals while achieving design objectives								
Innovation and Flexibility	ISO tariff provides optionality for transmission customers to innovate while not pushing costs to other customers								

*** Proposed rate design must fit within current legislation ***

Legend	Achieves objective	Potentially achieves objective with modification	Partially achieves objective	Potentially partially achieves objective with modification	Does not achieve objective