

Stakeholder Comment Matrix – Sept. 14, 2020

Request for Feedback on *2020-2021 Plan for ISO Tariff-Related Activities*



Period of Comment: Sept. 14, 2020 through Oct. 6, 2020	Contact: Vittoria Bellissimo
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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 matrix per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 6, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	<p>Is the publication of the <i>2020-2021 Plan for ISO Tariff-Related Activities</i> (“2020-2021 Plan”) useful to you? Would any additional information be helpful? Please be specific.</p>	<p>The 2020-21 Plan is very useful. Thank you to the AESO for hearing our concerns and making an effort to make tariff information more accessible. This is particularly valuable during the ongoing COVID-19 pandemic, when in-person meetings are rare.</p> <p>Additional information required by customers is provided in the subsequent sections. We would be happy to elaborate on our concerns and we welcome the opportunity for further discussions with the AESO.</p>
2.	<p>Are there any additional tariff-related activities that in your view require the AESO’s and stakeholders’ attention in 2021 that are not listed in the 2020-2021 Plan?</p>	<p>IPCAA is concerned that Bulk and Regional Rate Redesign (with Energy Storage) (Phase 1) is starting with Development. Originally, the AESO had planned to enable stakeholders to bring their rate design ideas to the table. It looks like this will now happen on October 22nd. Why is this considered Development and not Conception?</p> <p>According to the AESO, “During the conception phase, the AESO will formalize the issue and conduct an options analysis. Input for the options analysis may be gathered through stakeholder engagement, and/or third party studies. The AESO may develop recommendations and determine necessary stakeholder engagement.” Did the AESO determine that stakeholder input was not necessary in the options analysis for a \$2B+ tariff? This is concerning.</p> <p>Also, there was some analysis completed by Navigant when the TDAG was still around last year. Will this be made public?</p> <p>Is there a reason why is there no Analysis for Customer Contribution Policy and POD Cost Function? For previous tariff applications we have formed a working group (led by John Martin) and coordinated our efforts so that all stakeholders are in agreement about the AESO’s filing in this area. It may be a very good time to try this approach again.</p> <p>One major component that is missing here is the communications plan to explain a new tariff design (if there is going to be one) to customers. This will not be a simple undertaking during a pandemic and will require a comprehensive plan.</p>

<p>3.</p>	<p>Do you have suggested changes to the timing of activities in the 2020-2021 Plan schedule? If yes, please be specific to why you would like to see the timing changed and what the suggested timing should look like.</p>	<p>There are many elements that have not been resolved and will ultimately impact the ISO tariff, including:</p> <ul style="list-style-type: none"> • The Transmission Regulation being re-examined by government • Any AUC changes resulting from the Distribution System Inquiry (such as aligning transmission and distribution rates) • Government changes related to self-supply and export • Sub-station fraction and DCG credit issues <p>Large capital investments require a stable regulatory environment. We have considerable uncertainty already. It would be a mistake to make a significant tariff change, only to have to make another significant change in short order when these issues are resolved.</p> <p>In particular, AUC decisions on FortisAlberta's Option M (and its equivalents in other service territories), as well as substation fraction may be important before we see a major change to the AESO's bulk and regional transmission rate design. Customers are expecting some coordination between agencies in these areas. How is the AESO going to loop in the AUC in its plans?</p> <p>Overall, customers would like to caution the AESO that rolling out a new tariff design prior to March 2021, during a global pandemic, when businesses already face considerable uncertainties, is ambitious. Now is not the time to introduce any additional uncertainty.</p>
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<p>4.</p>	<p>Do you have any other suggestions or comments you would like to share with the AESO related to the 2020-2021 Plan?</p>	<p>It is important for customers to understand utilization on the transmission system. The AESO should publish line utilizations. We are paying an average of ~\$37/MWh in transmission costs in Alberta. The value needs to be transparent. On a recent AESO Budget Review Process conference call, Dennis Frehlich kindly reminded us that transmission is planned for contingencies. We are all aware of this and welcome a comprehensive explanation published alongside the utilization information. The AESO is proposing inter- and intra-regional network charges. It would be useful to understand the utilizations of these networks.</p> <p>IPCAA is concerned with the term “tariff modernization.” The AESO states that it <i>“requires a more modern approach to tariff rates, structure and processes to keep pace and adapt as required to a rapidly changing landscape.”</i> We will be using the same billing determinants to charge customers that we have been using for a very long time. We are also limited in our options on how to charge customers. Charging customers on CP, NCP, energy, billing capacity and fixed per-site charges is not particularly “modern”.</p> <p>The AESO states that it is “considering both the short-term and long-term as it evolves the design of the ISO tariff in order to... effectively reflect both the cost of transmission service and the value received from a connection to the transmission system.” This represents a departure from cost causation principles. The AESO needs to provide a clear explanation as to why cost causation is no longer valid.</p>
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Thank you for your input. Please email your comments to: tariffdesign@aeso.ca.