

Tariff Design Advisory Group – Meeting Summary

August 23, 2018 - 9:00 am to Noon

AESO Office



Pre-Meeting Materials

Prior to the meeting, the following materials were available on the AESO website:

- Proposed Terms of Reference
- Draft Detailed Capacity Workplan
- Draft Detailed Transmission Workplan
- Tariff Design Advisory Group Membership list
- Presentation on CMD Background and Cost Allocation 101

Agenda

Time	Agenda Item	Presenter
9:00 am – 9:15 am	Welcome <ul style="list-style-type: none"> • Opening remarks • Session overview and objectives • Introductions 	Karla Reesor, Facilitator Miranda Keating Erickson Vice-President, Markets
9:15 am – 9:30 am	Review revisions to proposed Terms of Reference	Matt Gray, Senior Stakeholder Engagement Advisor
9:30 am – 10:00 am	CMD Background related to Capacity Cost Allocation <ul style="list-style-type: none"> • Final Comprehensive Market Design Cost Review • Capacity Market Procurement Overview 	Murray Hnatyshyn, Manager, Capacity Market Design Analysis Steven Everett, Manager, Forecasting
10:00 am – 10:10 am	BREAK	
10:10 am – 11:30 am	Cost Allocation 101 (includes Q & A)	Raj Sharma, Tariff Specialist
11:30 am – 11:50 am	Review of draft detailed work plans	Raj Sharma
11:50 am – Noon	Review of conclusions, action items and next steps	Karla Reesor

Meeting Notes

Time	Item	Lead
9:00 am	1. Welcome Miranda Keating Erickson, Vice President of Markets for AESO thanked participants for joining the Advisory Group, particularly given the long duration of the commitment and the significant work involved. She noted that collaborative processes can help to achieve better outcomes and	Karla Reesor, Facilitator

Public

	expressed her hope that the Tariff Design Advisory Group would be a forum for open discussion where all voices are heard.	
9:15 am	<p>2. Review revisions to proposed Terms of Reference</p> <p>Matt provided an overview of the changes made to the Terms of Reference.</p> <p>The group supported the proposed Terms of Reference with the following changes:</p> <ul style="list-style-type: none"> - Section 4, Objective and intended outcomes <ul style="list-style-type: none"> o Add – Minimize long term costs of transmission and capacity and optimize overall costs (energy, transmission and capacity) to consumers o Add – Limit undue cross-subsidization o Remove the 3rd bullet (Mitigating or minimizing as much as possible the risk of load defections or bypass) - Section 5.2, Tariff design for bulk and regional consultation – remove “currently” so that it reads “...limited to only include costs that are identified as bulk and regional transmission system costs...” - Section 6.2, Advisory group composition <ul style="list-style-type: none"> o Add the names of Advisory Group members and alternates using the same stakeholder categories as shown on the Advisory Group Membership list 	Matt Gray (AESO)
9:35 am	<p>3. CMD Background related to Capacity Cost Allocation</p> <p>Murray provided a high-level overview of the final Comprehensive Market Design cost review and Steven reviewed Capacity Market procurement. The purpose of the presentations was to bring Advisory Group members to a common understanding of key elements from Capacity Market Design that will be relevant for tariff design.</p> <p>Action – The AESO will provide information on whether or not Net CONE will change from auction to auction.</p>	Murray Hnatyshyn (AESO) Steven Everett (AESO)
10:25 am	<p>4. Cost Allocation 101</p> <p>Raj shared an overview of the key steps in cost allocation and tariff design.</p> <p>Participants indicated that additional tutorials and discussion on the following topics would be beneficial for the group:</p> <ul style="list-style-type: none"> - Information about self-supply from CMDF section 2.2 (page 11-15) - Further discussion about the demand curve - AESO planning process <p>Action – All participants are asked to indicate preferred topics for additional tutorials as follows:</p> <ul style="list-style-type: none"> - <i>In relation to planning, what are the key planning questions</i> 	Raj Sharma (AESO)

	<p><i>that should be addressed?</i></p> <ul style="list-style-type: none"> - <i>What other topics would be beneficial?</i> - <i>For each topic, when should the discussion occur (e.g. before reviewing the detailed work plans or during a certain phase of the work plan)?</i> - <i>All are asked to submit the information by August 30 to ISOtariiffnotice@aeso.ca.</i> <p>It was agreed to establish a List of Issues to note key questions or areas for consideration that will arise through the course of the Advisory Group discussions. The List of Issues will be provided with each set of meeting summary notes.</p> <p>Further discussion will be needed to determine the data that will be beneficial for Advisory Group discussions. Identifying the questions that data will help to answer is a key step to ensure that time is not invested collecting data that will not be used.</p>	
	<p>5. Review of draft detailed workplans</p> <p>Discussion of the draft detailed work plans was deferred to the next meeting.</p> <p><i>Action – For the next meeting, all participants are asked to review the detailed workplans for transmission and capacity and consider:</i></p> <ul style="list-style-type: none"> - <i>Are all the key work elements included? Are there any steps that may not be needed?</i> - <i>Are the timeframes appropriate?</i> - <i>Are there elements that could be done in parallel rather than in series?</i> - <i>Which technical experts may be able to assist with the work (within Advisory Group organizations or in consulting firms)?</i> 	
11:45 am	<p>6. Review of action items and next steps</p> <p>The AESO has invited stakeholders to submit issues related to tariff design for capacity and transmission cost allocation for consideration by the Advisory Group. Stakeholders are encouraged to work through their representative on the Advisory group.</p> <p><i>Action – All participants are asked to advise the AESO of their alternate member by August 30. The AESO will add alternates to the distribution list for the Advisory Group.</i></p> <p>The group agreed that alternates could join the Advisory Group meetings via webinar to facilitate keeping up to date on discussions. Alternates who join the webinar will not have the option to participate in the discussions.</p> <p>All are asked to give notice to the AESO if an alternate will be attending a meeting.</p> <p>The group had a short discussion about a submission from Rick</p>	Karla Reesor, Facilitator

	<p>Cowburn. The document was distributed at the meeting and will be posted on the AESO website.</p> <p>The next meeting of the Advisory Group will be on September 6 from 9am to noon and the following meeting will be on September 18. (Note the change in date from September 20.) Materials will be provided in advance and the agenda for September 6 is anticipated to include:</p> <ul style="list-style-type: none"> - Group Norms – What practices do members want to follow for effective and efficient discussions? - Overview and discussion of the detailed draft workplans for transmission and capacity - Review requests received for additional tutorials - Initial discussion on data requirements – What data do you need and why do you need it? What questions will the data help to answer? - Meeting schedule for Fall 2018 	
12:15pm	Meeting adjourned	