

Stakeholder Comment Matrix – May 28, 2020

Participant-Related Costs for DFOs (Substation Fraction) and DFO Cost Flow-Through
Technical Session (2B)



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| Period of Comment: May 28, 2020 through June 11, 2020 | Contact: [REDACTED] |
| Comments From: Kalina Distributed Power | Phone: [REDACTED] |
| Date: [2020/06/11] | Email: [REDACTED] |

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 **June 11, 2020**.

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

| | Questions | Stakeholder Comments |
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| 1. | <p>Please comment on the Technical Session 2B facilitated by the AESO on May 28, 2020. Was the session valuable? Was there something we could have done to make the session more helpful? Please advise and be as specific as possible.</p> | <p>The session was valuable in that it facilitated an exchange of information regarding the various proposals.</p> <p>However, there was not sufficient time or information to fully evaluate each proposal and its associated financial impacts.</p> |
| 2. | <p>The following five questions are seeking comments on the Technical Session 2B discussion regarding the outstanding design details identified on Slide 27.</p> <p>Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the following outstanding design details:</p> <ul style="list-style-type: none"> Substation fraction = 1 for DFOs | <p>Kalina does not support assigning a substation fraction equal to 1.</p> <p>Substation fractioning at its core does not align with the principle of cost-causation nor with s.47 of <i>Transmission Regulation</i> which states that just and reasonable costs of the transmission system are to be “wholly” charged to the DFO for recovery through the DFO’s tariff.</p> <p>Substation fractioning is also at odds with the Transmission Development Policy. This was further confirmed by one of the co-authors of the TDP during Technical Session 2B.</p> |
| 3. | <p>Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the following outstanding design details:</p> <ul style="list-style-type: none"> Determining a \$/MW charge for DCG | <p>Kalina does not support assigning a \$/MW charge for DCGs.</p> <p>See comment in Q.2 above.</p> |
| 4. | <p>Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the following outstanding design details:</p> <ul style="list-style-type: none"> Determining the applicability of the DCG charge | <p>s.47 (a)(i) of <i>Transmission Regulation</i> is clear that just and reasonable costs of the transmission system are to be “wholly” charged to the DFO for recovery through the DFO’s tariff.</p> <p>There is no provision for “historical” transmission costs to be rolled out of rate base, or alternatively “desystemized” and retroactively applied to DCGs.</p> |

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| 5. | <p>Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the following outstanding design details:</p> <ul style="list-style-type: none"> • Determining the administration of the DCG charge | See comment in Q4 above. |
| 6. | <p>Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the following outstanding design details:</p> <ul style="list-style-type: none"> • Looking towards implementation | <p>Kalina does not support substation fractioning.</p> <p>s.47 (a)(i) of <i>Transmission Regulation</i> is clear that just and reasonable costs of the transmission system are to be “wholly” charged to the DFO for recovery through the DFO’s tariff.</p> |
| 7. | Additional comments | <p>Kalina supports a request for immediate interim relief with the Commission that seeks the elimination of substation fractioning and a return to the legal construct set out in s.47 of <i>Transmission Regulation</i>.</p> <p>To facilitate this request, all existing CCDs that were issued pursuant to the substation fractioning methodology must be recalled, along with confirmation by the Commission that future unknown and unbounded interconnection costs will not be a feature of the Alberta electricity market and that Alberta supports a fair, efficient and openly competitive market. This will send a signal to investors that Alberta’s electricity market is open for business.</p> <p>It must be acknowledged, that it is likely that multiple proposals will be submitted to the Commission for consideration. In doing so, equal time and weight must be given to each proposal so that stakeholders can engage in a fulsome analysis of the financial impacts associated with all proposals.</p> |

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