AESO INFORMATION REQUESTS TO CCA & PICA

AESO.CCA-PICA-001

Preamble: The sample used by the AESO to determine the POD cost function included only 21 PODs with radial line, as provided in the “Trans Line” tab of the contribution study data filed as Appendix G to the AESO’s 2007 GTA.

Reference: Evidence of CCA & PICA – Page 8, Lines 4-7

“In other words, the sample used by the AESO to determine the POD cost function, including the radial line costs for 29 of the 30 projects, is not representative of the entire population of PODs because only a portion (i.e. 34%) of PODs are connected to radial lines.”

Request:
Please provide an updated development of the POD rates proposed by CCA-PICA based on the AESO sample having only 21 PODs with radial line.

AESO.CCA-PICA-002

Reference: Evidence of CCA & PICA – Page 9, Line 12

“Y = $0.947M + $0.326M/MW * 7.5M W + $0.122M/MW * capacity over 7.5MW”

Request:
Please confirm that the Y intercept ($0.947m) should also increase by the average investment in radial lines if that investment is spread over all substations. If confirmation cannot be provided, please fully explain your response.

“The POD rate shown above includes the cost of radial lines averaged over all PODs. However, the maximum investment in PODs would include the average radial line costs. This is because averaging over all PODs is not applicable when considering a single POD addition.”

Request:

(a) Please fully explain why the maximum investment in a POD should only include average line costs as proposed by CCA-PICA, rather than average costs times a multiplier to capture 80% of projects in an approach similar to that used by the AESO.

(b) Please fully explain why averaging radial line costs across all PODs is not applicable when considering a single POD addition.