



Stakeholder Comment and AESO Replies Matrix

AESO Consultation – Competitive Procurement Process

September 17, 2010

The AESO is asking market participants and interested parties to indicate their interest in participating in the AESO’s consultation regarding the AESO’s proposed competitive procurement process and to provide comments on the related Terms of Reference and Discussion Paper.

Date of Request for Comment: <u>2010-09-17</u>	Contact: <u>Juliane Kniebel-Huebner</u>
Period of Consultation: <u>2010-09-17</u> through 2010-11-04	Phone: <u>403.705.0696</u>
Comments From: <u>NaturEner Energy Canada Inc.</u>	E-mail: <u>jknibel@naturener.net</u>
Date: <u>2010-11-04</u>	

Interest in Participating in AESO Consultation for a Proposed Competitive Procurement Process		
Please indicate your interest in participating in this consultation		
	Stakeholder Comment	
	<input checked="" type="checkbox"/> Interested <input type="checkbox"/> Not Interested	
Terms of Reference - In-Scope Section		
Do stakeholders agree with the scope set out in the Terms of Reference? Are there any other documents the AESO should consider as in scope?		
Stakeholder	Stakeholder Comment	AESO Replies
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	



Stakeholder Comment and AESO Replies Matrix

AESO Consultation – Competitive Procurement Process

September 17, 2010

Terms of Reference – Out-of-Scope Section		
Do stakeholders agree with the out-of-scope section?		
Stakeholder	Stakeholder Comment	AESO Replies
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	<p>NaturEner agrees that the scope should not include the discussion of the CTI legislation as this is a matter outside of the AESO’s mandate.</p> <p>While NaturEner is not opposed to a discussion limited at this stage to competitive procurement as a means for CTI development, we believe the AESO should remain open to considering other possible competitive procurement concepts than just the two identified. In other words, we encourage the AESO not to limit the development of alternatives before the consultation process with stakeholders really begins.</p>
Terms of Reference - Consultation Activities, Documents and Schedule Section		
Do stakeholders agree with the consultation activities, documents and schedule?		
Stakeholder	Stakeholder Comment	Replies
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	<p>NaturEner requests that the AESO provide more visibility on the schedule by including the expected steps of the regulatory process.</p>



Stakeholder Comment and AESO Replies Matrix
AESO Consultation – Competitive Procurement Process
September 17, 2010

Terms of Reference - Other Comments		
Do stakeholders have any other comments regarding the Terms of Reference for the competitive procurement process documents?		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	



Stakeholder Comment and AESO Replies Matrix
AESO Consultation – Competitive Procurement Process
September 17, 2010

Discussion Paper		
The AESO is seeking stakeholder comments regarding the proposed implementation schedule.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	The Discussion Paper does not show an implementation schedule. As noted in the comments to “Terms of Reference – Consultation Activities, Documents and Schedule Section”, more visibility on schedule and steps would be appreciated.
Discussion Paper		
The AESO is seeking stakeholder comments regarding the objectives and principles to be used in the design of a competitive procurement process for CTI in Alberta.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	NaturEner supports the objectives and principles identified.
Discussion Paper		
The AESO is seeking stakeholder comments regarding additional alternatives including associated advantages and disadvantages for the competitive procurement process.		
Stakeholder	Stakeholder Comment	
		NaturEner does not have an alternative to propose but supports leaving the process open and flexible enough to look into options that may be brought forth during this process.



Stakeholder Comment and AESO Replies Matrix

AESO Consultation – Competitive Procurement Process

September 17, 2010

Discussion Paper		
The AESO is seeking stakeholder comments regarding the process steps in the Own Alternative.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	<p>Step 1: In order to create efficiency, predictability and fair opportunity, whatever process the AESO develops for the Own Alternative should be the process used for all CTI competitive procurement. In other words, this should be done and approved once rather than for every CTI project.</p> <p>Step 2: NaturEner requests the AESO to consider whether it makes sense to have a standing list of prequalified eligible bidders rather than to have to undertake this for each CTI project. New entities should be allowed to apply to be qualified at any time and approved entities should have to reapply every few years. This could reduce the workload and shorten the timeframes for the CTI process.</p> <p>Steps 3, 4, 5, 6: Agree</p> <p>Step 7: General agreement, except that the term “making the transmission facility available in a <u>timely manner</u>” is too vague, and more defined time expectations need to be</p>



Stakeholder Comment and AESO Replies Matrix

AESO Consultation – Competitive Procurement Process

September 17, 2010

		imposed with relevant penalties, if not achieved. The same should be required for cost estimates (included in the FA). In order to protect rate payers, there needs to be a financial incentive/consequence for exceeding estimated cost.
Discussion Paper		
The AESO is seeking stakeholder comments regarding the advantages, as well as any other advantages and disadvantages the stakeholder believes are appropriate for the Own Alternative.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	
Discussion Paper		
The AESO is seeking stakeholder comments regarding efficient risk-sharing options that will optimize the overall cost of CTI projects.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	<p>The amount of uncertainty involved in the Own Alternative (i.e. unknown routing, public opposition, unidentified environmental restrictions, unidentified historical resource restrictions, range of equipment options, possible protracted hearing process) could make reliable cost estimates difficult for bidders.</p> <p>While NaturEner supports a financial incentive/consequence concept for project</p>



Stakeholder Comment and AESO Replies Matrix

AESO Consultation – Competitive Procurement Process

September 17, 2010

		pricing, we recognize the difficulty in doing so under the Own Alternative at a stage when virtually every pricing input is unknown.
Discussion Paper		
The AESO is seeking stakeholder comments regarding the process steps in the EPC Alternative.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	<p>Steps 1-6: Same comments as for Own Alternative.</p> <p>Step 7: The contract to “design and build” would have to be very specific about some details. A few examples are:</p> <ul style="list-style-type: none"> - land agreements, in terms of structure and rates; - standards of engineering, to create an incentive to minimize long-term O&M cost as well as need for review and rework; and - consultation standards, to preserve long-term relationships with stakeholders of owning and operating entity.
Discussion Paper		
The AESO is seeking stakeholder comments regarding the advantages, as well as any other advantages and disadvantages the stakeholder believes are appropriate for the EPC Alternative.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	It should be recognized that the incumbent TFOs have developed significant



Stakeholder Comment and AESO Replies Matrix

AESO Consultation – Competitive Procurement Process

September 17, 2010

		experience and internal resources for navigating the complex stakeholder and regulatory approval processes. This EPC Alternative has the advantage of using this experience to potentially reduce timing and regulatory risk. It is also advantageous from the perspective that there are fewer unknowns and therefore greater ability for entities to submit realistic priced bids.
Discussion Paper		
The AESO is seeking stakeholder comments regarding additional issues for consideration applicable to the Own and EPC Alternatives, as well as identification of any other issues that will need consideration.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	With respect to other issues, NaturEner believes that the competitive procurement process should be developed with a view to being able to apply the same model for customer connection projects. The current model of the customer connection development leaves little to no control over cost and timing which creates an uncertain environment for investment decision making.
Discussion Paper		
The AESO is seeking stakeholder comments regarding additional issues for consideration applicable to the Own Alternative, as well as identification of any other issues that will need consideration.		



Stakeholder Comment and AESO Replies Matrix

AESO Consultation – Competitive Procurement Process

September 17, 2010

Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	See comments above.
Discussion Paper		
The AESO is seeking stakeholder comments on the inclusion of the proposed structure for the Request for Qualifications (RFQ), as well as any other information the stakeholder believes should be included.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	No comment at this time.
Discussion Paper		
The AESO is seeking stakeholder comments on the inclusion of the information required by potential bidders to substantiate their qualifications to an RFQ, as well as any other information the stakeholder believes should be included.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	No comment at this time.
Discussion Paper		
The AESO is seeking stakeholder comments on the potentially required amendments to relevant regulations, as well as any other amendments the stakeholder believes will be necessary.		
Stakeholder	Stakeholder Comment	
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose	While we agree with the list and explanation of potentially required amendments based on information available today, we believe that an



Stakeholder Comment and AESO Replies Matrix

AESO Consultation – Competitive Procurement Process

September 17, 2010

		extensive review of required amendments should take place when more details have been developed and a path forward selected.
Discussion Paper		
The AESO is seeking any other stakeholder comments on the Discussion Paper concerning the AESO's proposed competitive procurement process.		
Stakeholder	Stakeholder Comment	