

Stakeholder Comment and AESO Response Matrix

Final Proposed Amended Section 501.3 of the ISO rules, *Abbreviated Needs Approval Process* (“Section 501.3”)



Date of Request for Comment:	September 1, 2021
Period of Comment:	September 1, 2021 through October 8, 2021

Development of a Proposed ISO Rule	Stakeholder comments	AESO Responses
<p>1. Do you agree that the issue identified in the letter of notice requires the proposed development of amended Section 501.3? If not, why not?</p>	<p><b><u>ATCO Electric Ltd.</u></b></p> <p>1. Agreed.</p> <p><b><u>Capital Power Corporation</u></b></p> <p>2. Yes, Capital Power agrees that there is a need for the proposed amendments to Section 501.3 to expand eligibility for the Abbreviated Needs Approval Process. This will result in improved regulatory efficiency and red tape reduction.</p> <p><b><u>ENMAX Power Corporation</u></b></p> <p>3. Agree.</p> <p><b><u>EPCOR Distribution &amp; Transmission Inc.</u></b></p> <p>4. Yes, EPCOR agrees with the issue identified in the letter of notice. EPCOR supports the AESO’s red tape reduction initiative.</p>	<p>1. The AESO acknowledges ATCO Electric’s comment.</p> <p>2. The AESO acknowledges Capital Power’s comment.</p> <p>3. The AESO acknowledges ENMAX Power’s comment.</p> <p>4. The AESO acknowledges EPCOR’s comment.</p>



<p>2. Do you agree with the potential purpose of the proposed development of amended Section 501.3? If not, why not?</p>	<p><b><u>ATCO Electric Ltd.</u></b></p> <p>5. Agreed.</p> <p><b><u>Capital Power Corporation</u></b></p> <p>6. Yes, Capital Power agrees with the purpose of the proposed amendment and supports the AESO’s effort to accelerate the progression of projects through the AESO Connection Process and making more efficient use of AESO and Commission resources.</p> <p><b><u>ENMAX Power Corporation</u></b></p> <p>7. Yes, ENMAX Power Corporation (EPC) agrees that the existing Abbreviated Needs Approval Process (ANAP) eligibility criteria is too stringent and there is room for improvement to create additional regulatory efficiencies. See response to Question 4.</p> <p><b><u>EPCOR Distribution &amp; Transmission Inc.</u></b></p> <p>8. Yes, EPCOR agrees with the potential purpose of the proposed development of amended Section 501.3.</p>	<p>5. The AESO acknowledges ATCO Electric’s comment.</p> <p>6. The AESO acknowledges Capital Power’s comment.</p> <p>7. The AESO acknowledges ENMAX Power’s comment.</p> <p>8. The AESO acknowledges EPCOR’s comment.</p>
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("Section 501.3")



<p>3. Do you agree with the proposed consultation and timelines? If not, why not?</p>	<p><b><u>ATCO Electric Ltd.</u></b></p> <p>9. Agreed.</p> <p><b><u>Capital Power Corporation</u></b></p> <p>10. Yes, Capital Power has no concerns with the proposed consultation timelines.</p> <p><b><u>ENMAX Power Corporation</u></b></p> <p>11. See response to Question 4. Further consultation is required, and the timeline should be adjusted accordingly.</p> <p><b><u>EPCOR Distribution &amp; Transmission Inc.</u></b></p> <p>12. EPCOR agrees with the proposed consultation and timelines for this stakeholder engagement.</p>	<p>9. The AESO acknowledges ATCO Electric's comment.</p> <p>10. The AESO acknowledges Capital Power's comment.</p> <p>11. The AESO acknowledges ENMAX Power's comment and provides further response in response #15 below.</p> <p>12. The AESO acknowledges EPCOR's comment.</p>
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<p>4. Do you agree with the proposed amended Section 501.3? If not, why not?</p>	<p><b><u>ATCO Electric Ltd.</u></b></p> <p>13. In general, ATCO agrees with the proposed amendments to remove stringent dollar figure restrictions and definitive prescriptive language currently enshrined within Section 501.3(2) with respect to Eligibility Criteria. Specific dollar figure limitations severely limit the application of the ANAP process.</p> <p>ATCO respectfully suggests, that instead of applying specific dollar figure limitations as suggested, the eligibility criteria should be driven by project scope limitations, as scope criteria has a more direct influence with respect to the applicability of the ANAP process relative to pricing.</p> <p>The AESO has provided several examples of scope considerations within the Rationale section of the comparison matrix which are seemingly based on historical benchmark data. These considerations should be applied to the verbiage of Section 501.3(2) as a more appropriate means of streamlining process. This would allow for substation modifications and additions of equipment, short to medium length radial taps and POD/POSSs, and voltage support additions within existing facilities without the need for a drawn-out NID process. This meets the desire of the AESO to streamline application processes, while not instituting an arbitrary dollar figure cap on the criteria.</p> <p><b><u>Capital Power Corporation</u></b></p> <p>14. Yes, Capital Power generally agrees with the proposed amended Section 501.3 as the expanded eligibility criteria will reduce red</p>	<p>13. In response to ATCO’s specific comment that the eligibility criteria should be driven by project scope limitations, the AESO initially considered this approach. The AESO subsequently determined that imposing monetary limits would be a more efficient and flexible approach to determine eligibility for the abbreviated needs approval process.</p> <p>Listing specific project scope criteria within Section 501.3 is a prescriptive and rigid approach that increases regulatory burden and the costs associated with the additional time and resources necessary to implement such an approach. Furthermore, identifying specific equipment or facilities that are eligible for the abbreviated needs approval process limits the AESO’s flexibility to respond to the rapidly evolving electricity industry and emerging new technologies and, by extension, limits market participants’ ability to quickly take advantage of the benefits associated with those new technologies. Further, the AESO notes that the proposed monetary threshold was selected to include the scope of development suggested by ATCO (substation modifications and additions of equipment, short to medium length radial taps and POD/POSSs, and voltage support additions within existing facilities), while providing the flexibility described above.</p> <p>14. The AESO acknowledges Capital Power’s comment.</p>
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	<p>tape and improve regulatory efficiency for connection projects.</p> <p><b><u>ENMAX Power Corporation</u></b></p> <p>15. <b>EPC does not agree with the proposed amended Section 501.3, specifically Section 3 – Eligibility Assessment.</b></p> <p>i) Based on the AESO’s proposal, it appears the ANAP would now include transmission system development projects, specifically Point of Delivery (POD) substation projects that are more significant by way of cost and impact to the Alberta Interconnected Electric System (AIES).</p>	<p>15.</p> <p>i) The existing Section 501.3 applies to system projects, with an estimated cost of less than \$5 million. The proposed amended Section 501.3 contemplates increasing that threshold to \$25 million in total cost, including up to \$15 million in system cost.                  The AESO anticipates that the addition of a point of delivery substation in an urban setting, such as the ENMAX Power Corporation service territory, would continue to be ineligible under the expanded cost threshold included in proposed amended Section 501.3 as these projects have historical costs that exceed the threshold of \$25 million in total cost.                  Regarding the impact to the interconnected electric system, the AESO has not established an eligibility criterion related to impacts on the interconnected electric system in the proposed amended Section 501.3. Consistent with our current processes, the AESO will assess the impact of all connection and system projects on the interconnected electric system, and share those results with stakeholders, whether the project is eligible for the abbreviated need approval process or not. Providing such supporting information for projects that are eligible under proposed amended Section 501.3 is consistent with the proposed subsection 3(d), Conditions for Approval.</p>
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		<p>ii) In EPC’s view, the ANAP is intended to allow the AESO the ability to approve projects that have a minor impact on the AIES and therefore improve regulatory efficiency for industry. While EPC appreciates the AESO’s efforts to reduce regulatory burden, the proposed amendment appears to remove the AUC, acting as a check and balance, from the approval process for the majority of connection projects, which EPC does not support.</p> <p><b>Given that, since 2015, a small portion of projects have been eligible for approval under the existing ANAP eligibility criteria, EPC is of the view that there is room to capture a larger portion of connection projects moving forward.</b></p> <p>iii) With respect to the eligibility assessment proposed in Section 3 (c), EPC requires more information to make an informed opinion on the threshold amounts being proposed. Answers to the following two questions would be helpful in understanding the impacts of the new threshold amounts: (i) How many additional projects, based on historical applications from July 1, 2015, would have met the new threshold eligibility criteria, had the new proposed thresholds been in place? (ii) How many additional projects, based on historical applications from July 1, 2015, would qualify for the abbreviated process if the threshold amounts were \$10 million and</p>	<p>ii) The proposed amendments do not prevent the Alberta Utilities Commission (“Commission”) from providing oversight. Pursuant to subsection 11.2(4) of the <i>Transmission Regulation</i>, disputes respecting decisions made by the AESO in relation to Section 501.3 may be submitted to the Commission for determination. In the AESO’s view, the fact that such a dispute resolution mechanism exists for parties dissatisfied with decisions made under Section 501.3 supports the AESO’s position that Section 501.3 should provide the AESO with broad discretion and flexibility. Furthermore, per subsection 3 of the proposed amended Section 501.3, the AESO retains its discretion with respect to the application of the abbreviated needs approval process and will consider market participant preference for Commission review in its decision making and selection of the most appropriate regulatory process.</p> <p>iii) With respect to ENMAX’s request for additional data, the AESO published a spreadsheet on the AESO website detailing all connection projects that the Commission approved through the NID filing process or that the AESO approved pursuant to the existing Section 501.3, together with estimated project costs. The spreadsheet includes data for the above-described projects from July 2015 (the date of implementation for the current Section 501.3) to July 2021. ENMAX may use this information to perform an assessment of the impacts of various cost thresholds.</p>
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	<p>\$8 million respectively? EPC would like to ensure that the policy revisions achieve a balance between regulatory efficiency while allowing the AUC to remain in a position to approve projects that have a more significant cost and impact to the AIES.</p> <p>iv) Within the EPC system, POD substation projects are planned by the DFO, and are proposed to provide service to distribution customers. Projects are planned to maintain a level of service based on the DFO’s reliability criteria and that align with longer term distribution plans in response to distribution load connections. The AESO does not have the mandate to plan the distribution system nor provide service to distribution customers. Based on this, EPC believes the ANAP and AESO influence should be limited to POD substation development projects that have a minor impact on the AIES.</p> <p><b><u>EPCOR Distribution &amp; Transmission Inc.</u></b></p> <p>16. EPCOR agrees with the proposed amendments to Section 501.3 of the ISO Rules, and is supportive of the AESO’s efforts to reduce red tape, reduce regulatory burden, and ensure the efficiency of the overall connection process.</p>	<p>iv) The <i>Electric Utilities Act</i> and the <i>Transmission Regulation</i> set out the duties and responsibilities of the AESO and distribution facility owners with respect to transmission and distribution system planning. The requirements set out in proposed amended Section 501.3 align with the AESO’s mandate under this legislation.</p> <p>16. The AESO acknowledges EPCOR’s comment.</p>
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<p>5. Do you have any additional comments?</p>	<p><b><u>ATCO Electric Ltd.</u></b></p> <p>17. No further comments.</p> <p><b><u>Capital Power Corporation</u></b></p> <p>18. Capital Power has no additional comments at this time.</p> <p><b><u>ENMAX Power Corporation</u></b></p> <p>19. None at this time.</p> <p><b><u>EPCOR Distribution &amp; Transmission Inc.</u></b></p> <p>20.</p> <p>i) EPCOR notes there are two Section threes in the amended Section 501.3. For ease of reference, EPCOR suggests renumbering the Sections.</p> <p>ii) In regards to the Eligibility Assessment, Subsection 3(c), EPCOR requests clarity on whether the “system costs” mentioned include costs that are classified as system-related costs for a project that responds to a request for system access service.</p> <p>iii) In regards to the Conditions for Approval, Subsection 3(b), EPCOR requests clarity on whether the AESO will direct the TFO to confirm that there are no anticipated, significant environmental effects.</p> <p>iv) EPCOR requests that the AESO commit to batching Information Requests (IRs) as projects progress through the abbreviated needs approval process.</p>	<p>17. The AESO acknowledges ATCO Electric’s comment.</p> <p>18. The AESO acknowledges Capital Power’s comment.</p> <p>19. The AESO acknowledges ENMAX Power’s comment.</p> <p>20.</p> <p>i) The AESO agrees and will correct the numbering of subsections in the final draft of proposed amended Section 501.3.</p> <p>ii) With regards to Eligibility Assessment, the AESO confirms that “system costs” include both costs for a connection project that are classified as system-related per the ISO tariff and transmission system project costs.</p> <p>iii) With regards to Conditions of Approval subsection 3(b), the AESO confirms it will direct the legal owner of a transmission facility to assess environmental effects.</p> <p>iv) The AESO anticipates that responding to information requests or issuing information requests to external parties will be addressed via existing AESO project processes. The AESO does not foresee the need for a unique process for projects that are eligible for the abbreviated needs approval process.</p>
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