

# Stakeholder Comment Matrix – Feb. 6, 2020

Local Interconnection Costs for DFOs (Substation Fraction) and DFO Cost Flow-Through



<b>Period of Comment:</b> Feb. 6, 2020 through Feb. 13, 2020 <b>Comments From:</b> BluEarth Renewables <b>Date:</b> 2020-02-13	<b>Contact:</b> [REDACTED] <b>Phone:</b> [REDACTED] <b>Email:</b> [REDACTED]
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Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. Email your completed comment matrix to [tariffdesign@aeso.ca](mailto:tariffdesign@aeso.ca) by **Feb. 13, 2020**.

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

	Questions	Stakeholder Comments
1.	Please comment on the proposed agenda	<p><b>Introduction/overview:</b> BluEarth appreciates the time allocated for the AESO to clarify the objectives, purpose and process. This should also overtly state what is NOT in scope for the sessions.</p> <p><b>Regarding Level Setting:</b></p> <p>BluEarth agrees one of the main purposes of Session 1 must include <i>building a common understanding to the purpose and application of local interconnection costs for SFOs and DFO cost flow through</i>. Based on the diversity of participants and the detailed nature of the issue at hand, it would be helpful to explain “substation fraction” and “Customer Contribution Decision” in <b>establishing a common and adequate understanding of the subject</b> . Further, a brief history of the adoption of the current cost allocation methodology and evolution of the tools would be helpful. It may be helpful to walk the participants through a sample CCD to illustrate the inputs, formulae and outputs. A brief review of the T-Reg principles of cost allocation would also be beneficial. <b>We suggest an extra 45 minutes at minimum will be required to fully cover this topic.</b></p> <p>BluEarth appreciates that the level-setting conversation will include presentations by DCGs and DFOs, in addition to the AESO. This is a good way to ensure that all</p>

		<p>perspectives and all concerns are heard in order to <i>build a common understanding of the financial impacts associated with the substation fraction and any associated flow through of local interconnection costs</i> before the second session where discussions begin on the alternative proposals. <b>BluEarth will be requesting presenter status at Session 1 to illustrate cost allocation/user benefit and the need for cost certainty.</b> We also suggest it would be beneficial to have a presentation from a load perspective.</p> <p>Given that the presentations will be limited to three stakeholders and the AESO, <b>we recommend adding 30 minutes for an open floor period after the level-setting presentations prior to the discussion of high level principles.</b> This would be a time period to allow other stakeholders to voice how and why they disagree with comments made by the AESO and/or presenters. In this way, we can ensure that we understand all the issues and concerns early in the discussion.</p> <p><b>Breakout sessions:</b> to improve the breakout discussions, it would be ideal if the AESO could spend 15 minutes at the outset presenting its current understanding of ideal principles.</p> <p>BluEarth has some general concerns with the breakout sessions; exclusion of webinar attendees and ability to capture breakout discussions to report back to the larger group. If breakout sessions are used, it will be imperative that comments from the breakout groups are captured in the report back and understood by stakeholders not in that group, or those on the phone.</p> <p>We also suggest that the breakout discussions and report back should include a focus on areas of misalignment, <i>i.e.</i> additional principles proposed to be added to the AESO's initial list or areas where stakeholders disagree with the inclusion of certain principles. This would make the report back more targeted and more efficient.</p>
2.	Please comment on the proposed process and session overviews as indicated in the Letter of Notice	<p>This issue is causing significant investor uncertainty resulting in halting DCG projects and it needs to be resolved as soon as possible to avoid the loss of hundreds of millions of dollars of investment in the Province.</p> <p><b>The proposed timeline of 3-4 sessions extending into May is unacceptable given the magnitude of investment risk.</b> When viewed holistically, this proposed timeline would mean 9 months of AESO consultation (estimated time from R&amp;V application filing to the AESO's filing of a new proposal) plus a Commission process resulting in the issue unlikely to be resolved until mid-2021. To this end, <b>BluEarth proposes 2 weeks between consultation sessions,</b> rather than the AESO's proposal of more than a month. This timeline was manageable during the capacity market consultation where there were five working group streams running concurrently and we expect it</p>

		<p>will also be manageable with a single topic of interest.</p> <p>BluEarth requests AESO update the Session timeline per above and also include an estimated filing date with the .</p> <p>BluEarth will also advocate for an expedited Commission process once an application is filed.</p>
3.	Additional comments	<p>BluEarth requests additional details on Session 2 be released in advance of Session 1 to allow market participants to prepare. The current high level over-view notes “<i>discuss and evaluate proposals for local interconnection costs for DFOs (Substation Fraction) and DFO cost flow-through.</i>” It is not clear at this point if this is intended to be AESO proposals for evaluation and commentary by market participants or if market participants will be able to submit proposals.</p> <p><b>BluEarth requests that the AESO accept market participant proposals.</b> However, this direction requires communication on the part of the AESO fairly quickly. The AESO should receive and post market participant proposals a week in advance of Session 2 to provide stakeholders enough time to review other submissions and come prepared to Session 2. This timeline requires the AESO to communicate the solicitation of proposals and the deadline to stakeholders so they can work to develop their proposals.</p> <p>It would also be helpful to know if the AESO anticipates allowing stakeholders to present their proposals in Session 2. <b>BluEarth suggests the ability to present a proposal and answer questions would be beneficial.</b></p> <p>BluEarth suggests depending on the number of proposal submissions received, that Session 2 will likely need to be a full day session. Regardless of the number of proposals received, the AESO should schedule Session 2 with sufficient time to present and discuss all options in order to achieve the stated goal of the session. Stakeholders impacted by this topic will be willing to take the time necessary to fully work through these issues.</p>

Thank you for your input. Please email your comments to: [tariffdesign@aeso.ca](mailto:tariffdesign@aeso.ca).