

Pre-Qualification Requirements and Process

Feedback to AESO

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EPCOR appreciates the opportunity to provide feedback to the AESO on the draft pre-qualification requirements and process, and is generally supportive, with the exception of one major concern.

The Project Delivery Experience requirements section under the “General Prequalification Package for New Capacity Resources states:

“Prequalification package to be submitted by new capacity resources must include:

[...]

f) Project Delivery Experience requirements

Applicant must, in respect of each new capacity project, provide information which will satisfy the AESO that the Applicant, through Project Delivery, has sufficient relevant experience to bring the Capacity Project to Commercial Operation by the Target COD. To address the Project Delivery Experience requirement, Applicant should, for the project demonstrate experience in each stage of Project Delivery with at least two (2), but no more than ten (10) Comparable Facilities [...]“

This requirement creates a strong barrier to entry to new companies seeking to enter the market and to new technologies seeking to be implemented. This barrier of entry would lead to potential further consolidation in an already concentrated market. Based on a strict reading of what is written, EPCOR wouldn't be able to qualify new capacity assets, given that the company hasn't developed such assets within the last 10 years.

EPCOR believes that the combination of • less restrictive experience requirements; and • the Financial Strength and Equity Commitment requirements (section d) – which include the posting of full financial security to cover ‘failure to deliver’ – would result in greater potential participation while still providing satisfactory assurances to the AESO.