REOI Information Session Outstanding Questions

The AESO thanks attendees for their interest and participation at the REOI information session held on April 18, 2017. We received approximately 250 questions at the session and answered many of them during the Q&A period. The remaining questions below were reviewed, categorized and addressed in the REP Round 1 FAQ, along with frequently asked questions received before the REOI opened.

REP General
We take note of the "30 by 30" target. Does this mean that the government wants to procure around 30TWh of renewable sourced electricity, because we have seen statements amounting to 5,000 MW of capacity, clearly this is only in the region of 10TWh, so which one is correct?
What are the “renewable attributes”, does this refer to the RECs? Are there other renewable attributes that will be expected to be surrendered by the generator?
What would be the feed in tariff for REP?
When will stakeholder engagement start for the design of the criteria for the next round of REP?
If we are submitting the EOI on behalf of a corporation, does “you” refer to a corporation and/or consortium? In other words, should we be providing details of all potential team members that will be working on this solar development project, or should we respond to all questions in the EOI as though “you” refers to our company or consortium?
Will we receive a list of participants who took part at both the Westin and also on-line?
REP Costs and Fees
Please elaborate more about the costs per MWh by AESO and Transmission.
Will there be transparency on the cost recovery and where is it spent?
The cost seems high for the fees? This amounts to $3.15M + 8.4M. How does that compare to the Fort McMurray West costs?
Is the fee during the support period $.75/MWh for years 1-3 and $.30/MWh for years 4-20?
Is the money for the REP coming from general carbon levy funds or specifically from OBA funds?
Fuel Type
The Q&A document states "Biomass facilities must use an eligible biomass fuel". What definition is being used in Round 1 to define eligible biomass fuel?
How will existing generation be viewed that chooses to mitigate carbon expense by co-firing biomass? Will their facilities fall within the definition of new and expanded projects for the renewable portion of each MWh being eligible?
Could a project integrate energy storage as a part of the proposal?
SharePoint
By April 21, 2017 we can commence requesting access for SharePoint which is where our submissions will go for the RFQ and RFP. When will registration be closed?
Will registering for SharePoint be required to be done as a project entity or can a parent register to SharePoint and submit multiple affiliate entity submissions for various projects? Is there an end date in which registrations for SharePoint will no longer be permitted?

It is not clear if we register as our company name if we can change it in the future or if we can simply register a project LP at a future date and ignore the SEI registration. Please advise on the flexibility of this registration with regards to multiple entities.
RFQ
What level of technical design information will be required in the RFQ/RFP?
RESA Section 4: what is the scope of financial model to be delivered by the bidder?
Can the AESO provide a financial model template instead of requiring proponents to supply their proprietary financial models? Using a financial model template will ensure information consistency.
How is equity defined? If you plan 20% equity/80% debt on a $100M project, does that mean 51% of $20M or $100M = $10.2M?
Can you give us a more specific date on when respondents will be notified if they have qualified?
If a Respondent has more than one project it is bidding into the RFP, can you walk through a practical example on how the Control Group Members can be involved in multiple projects without running afoul of the collusion rules?
What happens if a proponent is assessed as partially qualified for interconnection, but submits the lowest price? Is it possible that the project might be the winning bidder, but the AESO subsequently determines the project requires new transmission?
Are there minimum interconnection or permitting requirements for the RFQ?
Site control: for a 100 MW project, how will adequate site control be demonstrated? Should it not match an AUC layout?
Can you expand on how you will be evaluating site control for a project area, and what you are expecting from the solicitor's confirmation opinion?
Why no requirement for wind data?
Will the AESO technical evaluation at RFQ stage include an assessment of the maturity of each project in terms of key permitting processes, such as AUC Facility Approval? Will a project be disqualified if it has not already applied to the AUC prior to entry to the RFQ/RFP?
Can a small company participate if they do not have lots of experience in the field?
Can a new project starting after the RESA is given in December, qualify given timelines?
Can a new project starting after the RESA is given be able to qualify given the timelines or do we need to start development right away?
I have a question regarding the requirement for ‘project teams’ to be included in the REOI and RFQ for Round 1 of the REP – does the ‘project team’ refer to roles / personnel within the developer organization, or the companies that will be working on the project (e.g. the developer, OEM supplying the turbines, BOP contractor, etc.)?
RFP
What is the penalty, if any, for backing out after being awarded a project under REP? Is the post financial bid security of 25K for that purpose?
What happens to the bid security - can it be rolled over into the performance security?
Could you expand the rationale behind the recent introductions of security of $25/MW at RFQ?
REOI Section 1.8: do you consider other award criteria besides lowest bid price? In absence of that, how do you support an optimal (economic efficient and reliable) proportion of the different technologies (Wind, Solar, Biomass, Hydro) for the REP Round I?

By using only price per kWh to differentiate winning bids, projects that deliver energy in more valuable parts of the year appear to be disadvantaged in this REP. Why has the AESO decided not to value time of day and season delivery to differentiate projects with financially superior contributions to the Alberta Electrical System? Will the AESO be utilizing a process in future where production in peak periods will be valued?
Has there been any consideration made towards the timing of energy production for the indexed REC? For example, if a generator is providing energy to the grid at a time of day when the pool price is higher, it will require a smaller CFD payment than a generator that provides energy to the grid at a time of day when the pool price is lower. As currently structured, this is not accounted for in the CFD structure and could result in higher CFD payments to procure renewable energy than required.
In the ranking of projects, how will the AESO address a situation where the top site is 300 MW and the second best site is larger than 100 MW? Will the AESO award in excess of 400 MW or continue down the ranked list of projects until a suitable sized site is found?
RESA
Are distribution connected projects eligible for an option in payment above and beyond a contract for differences payment on settlement?
RESA Section 13: will Option M be affected?
Would changes to the AESO rate DTS tariff or similar changes to any distribution facility owner's terms and conditions which affect a generators economics be captured under the RESA change in law clause?
How do the loss factors impact the support payments calculation?
Will successful REP bidders still be required to bid every hour into the energy pool market? If yes, won't it have an incentive to bid very low, in order to ensure that it will be asked to supply electricity and therefore receive its guaranteed strike price? If yes, will this distort the market in that bids from normal suppliers that may be below the strike price will be rejected?
It was mentioned in the talk that the ISO Settlement Mechanism will be used to assess the balance due to/from the generator under the RESA. To clarify, how are DTS credits and/or STS credits/charges treated? Will generator credits received be surrendered to the AESO, and/or will generator charges paid be reimbursed by the AESO as part of the Indexed REC?
Please can you elaborate on the force majeure clause in the RESA - will the bid/performance security be refunded to the generator in full if a project fails to receive its AUC Facility Approval (and/or Municipal Development Permit)?
The taking of security over all the assets probably precludes any projects on First Nations lands. Will there be some kind of exception for projects being developed by FN's on FN lands?
Could you please explain the security issue? How exactly is it structured?
What happens if the proponent is required to pay the AESO more money than it received for generation, but cannot do so, or fails to do so?
It is our preference that termination for convenience be removed from the RESA. If it can't, clear definition of timing of terminations and recovery amounts that can be claimed need to be provided promptly.
The RESA terms require a proponent to commence construction by a specific date. It also includes detailed milestones before the AESO considers that to have occurred. At the same time, there is a termination for convenience right of the AESO and a limit (a cap) on the damages that a proponent is paid by the AESO if this occurs before construction commencement. Why? Why the distinction between the damages before and post construction commencement where the AESO terminates for convenience?
Assignment Pre-COD: currently the AESO can withhold consent. Would you consider revising to permit assignments where the Assignor can prove that the Assignee has the same or greater financial strength?
How was the curtailment value determined?

Regulations and Regulatory Process
How will the liability of decommissioning and reclamation in case of bankruptcy/insolvency be handled?
Is there a regulation to require/locate land for solar farms?
Is it possible for a project to win the RFP and then possibly fail to get AUC approval (related to previous question around timing of AUC approval and REP process)?
Behind-the-fence Eligibility
During today's webinar the question was asked "Are behind the fence generators eligible to participate in the REP". The answer that was given was a "No". We believe this was a misunderstanding of the question. Please confirm that generators connecting via the AESO BTF process are eligible to participate in REP1.
I have read in the FAQ that Behind the fence project are not eligible because of the metering. We have a behind the fence project and we have proper metering to identify what is generated from the unit for our on-site load. So I was wondering if you could give more details on the non-eligibility of behind the fence project for the REP.
Please confirm that behind the fence projects that are separately metered can participate in REP 1 which is contrary to the response in the REOI Q&A document.
If the renewable generation is behind the fence but can be metered separately and serve load that would have been served by non-renewable generation, why would this not be eligible for the REP program?
Why can't BTF application be used for the REP program?
In one brief question and answer it was stated that a Behind the Fence AESO application does not qualify for the REP program. Nowhere in your literature to date has this qualification been specified and it seems very unfair to our project. I request that you have your Fairness Advisor review this new requirement and I request a response asap.
Connection Process
What are the factors to determine connection fees and/or can you give examples of current costs of some wind projects?
Regarding connection fees, what are they dependent on? Can you provide example costs for wind projects?
What stage does a project have to be at in the AESO/DFO connection process in order to qualify at RFP stage? Is submission of a SASR to the AESO adequate to qualify? Would a project at an earlier stage (high level or detailed studies) qualify?
Does transmission queue position give any advantage to a project if they haven't begun construction?
Connection Capacity Assessment
Base case of June 2017: does this account for system upgrades to be in service before 2019?
When the interconnection base case is set, will it include projects (renewable included) which are already "in the queue"?
Regarding the Connection Capacity Assessment slide, three assessment outcomes, point 3: does this mean a successful project would jump the queue and remove the possibility of an unsuccessful project to bid in the next round if it is ahead in the queue of a winning bidder connecting in the same area?

System Expansion
If I have to build transmission facilities to connect to the system, is that a "system expansion"?
On the requirement for no grid expansion, can this term be more clearly defined? e.g. transformer upgrade at substation?
Can you elaborate on what distribution modification is defined as? Would a new connection 5MW or higher not require at minimum a new breaker addition at the substation and distribution line to connect the generator?
Can you expand on the limitation of having to connect to "existing distribution and transmission system"? Does a new breaker or expanded distribution feeder included as a project costs disqualify a project?
Does transmission expansion mean any extension to tie in, including proponent expansion to substation?
Can you give more detail on what would not be considered "existing transmission or distribution facilities"? Would short connection lines, whether built by the proponent or a transmission company - if required - disqualify a project?
What does system expansion mean? Is a network update a system expansion?
It was stated that projects requiring new transmission do not qualify...what about a system upgrade/ improvement?
How is expansion of infrastructure defined? To tap will need to add bay, disconnect, relay, settings… Will they also build or permit taps where no substation exists?
How is "system expansion" defined in terms of assessing utilization of "existing transmission and distribution systems?" Most projects need some interconnection scope, be it customer or system cost responsibility.
Can you provide a specific definition for the concept "no expansion" with respect to the program requirement to utilize the existing transmission or distribution system?
Please define System Expansion for the purposes of the Connection Capacity Assessment. A few examples of what is and isn't a system expansion may help. For example, is a new station to allow a generator to connect mid-circuit on an existing line considered a System Expansion? Is a line position at an existing substation considered a System Expansion since a new circuit breaker will be required?
Transmission Capacity
How can participants learn of high demand areas?
Given other projects are currently in development or being constructed, is there room realistically for net new developments?
Given that other projects are currently in development or being constructed currently, is there room for new projects for competition 1?
Congestion is already an issue in southern Alberta for supply of wind and solar. Why has the AESO chosen not to incent projects in areas of load vs supply congestion? Will future REPs have a value ascribed to project locations which have higher electrical value on the Alberta Electrical System?
Is the AESO planning to move forward with the SATR projects in order to accommodate increased wind generation in the south? The first round of REP should be accommodated in the existing system.