

REP Round 1 FAQ



REP General	
What is the "30 by 30" target?	Section 2(1) of the <i>Renewable Electricity Act</i> sets out the renewable electric energy target. It states, "a target is established that at least 30% of the electric energy produced in Alberta, measured on an annual basis, will be produced from renewable energy resources." This target must be met by the end of 2030.
What are "renewable attributes"?	The draft RESA, available on the REP SharePoint site, includes the formal definition of renewable attributes.
What is the feed in tariff for REP?	The AESO is not considering a feed in tariff program to incent the development of renewable electricity generation in Alberta.
What is meant by new and expanded projects?	Definitions for new and expanded projects are provided on www.aeso.ca/rep on the <i>REP news and updates</i> page. The draft RESA, available on the REP SharePoint site, includes formal definitions.
Are there any restrictions to the number of MW that can be awarded to one bidder?	No, there are no restrictions on the number of MW that can be awarded to one bidder, provided that no single proposed project exceeds 400 MW.
Can REP Round 1 projects energize earlier than December 1, 2019?	Yes, however, support payments will not be provided any earlier than April 1, 2018.
What information about interested parties and their projects may the AESO make public at each stage of REP Round 1?	At REOI, the AESO may make public the contact names and contact information of interested parties who submitted an EOI Form. At RFQ, the AESO reserves rights to make certain information public. Further details on what may be made public are available in the RFQ. At the close of REP Round 1, the AESO will make the names and bid prices of successful proponent(s) public.
What is the timing for future REP competitions?	There will be a series of REP competitions to meet the Government of Alberta's target of 30 per cent renewables by 2030. Information on future REP rounds will be made available in the future.
When submitting an EOI Form on behalf of a corporation, are contact details required for all potential team members working on the project, or just those from the corporation submitting the form?	The REOI stage closed on April 21, 2017. Submitting an EOI Form is not a prerequisite to participating in the RFQ stage of REP Round 1.

<p>Is REP Round 1 subject to FOIP?</p>	<p>The AESO is a public body subject to the provisions of the <i>Freedom of Information and Protection of Privacy Act</i> (FOIP Act) and may be required to disclose certain information. Interested parties should be aware that third party information can be requested under the FOIP Act; however, the right of access is not absolute. The FOIP Act recognizes several legitimate reasons to refuse access to information (outlined in Sections 16-29 of the FOIP Act), including harm to business interests. The AESO is committed to protecting information that qualifies for an exemption. Third parties are active participants in the request process and do maintain the right to provide input during the decision making process and the right to appeal any disclosure decisions.</p>
<p>Will the AESO make public the list of participants who attended the REOI information session on April 18, 2017?</p>	<p>The AESO will not make this information public.</p>
<p>REP Costs and Fees</p>	
<p>How is the Renewable Electricity Program funded?</p>	<p>Section 12 of the <i>Renewable Electricity Act</i> sets out the source of government funding for the support payments associated with the Renewable Electricity Program.</p>
<p>Provide further details on REP Costs and REP Fees.</p>	<p>Section 5(2)(a) and 5(3) of the <i>Renewable Electricity Act</i> requires the Minister to approve the AESO's costs to develop, implement and administer all aspects of the Renewable Electricity Program (REP Costs) and the amount of the fees the AESO will levy on competition participants and winning generators (REP Fees). The estimate of REP Costs and REP Fees was prepared by AESO Management using established business processes and practices and governance mechanisms that are used to fulfill all AESO duties, responsibilities and functions. The REP Costs and Fees have been approved by the AESO Board and the Minister of Energy.</p>
<p>What is the RFQ submission fee?</p>	<p>As part of its RFQ submission, each bidder will be required to pay a non-refundable submission fee. This fee will vary for each bidder based on the number of projects and the total size of the projects submitted. It will be calculated as follows:</p> <ul style="list-style-type: none"> – \$1,000/MW of the aggregate nameplate capacity of all projects submitted by a bidder (minimum of \$10,000 and maximum of \$50,000); plus – For each project submitted in addition to the first, a fee of \$2,500. <p>The submission fee is non-refundable unless the AESO cancels the competition, in which case the fee will be returned in full to the bidder.</p>

<p>Are there any other fees that will be levied on competition participants?</p>	<p>If a bidder is awarded a RESA, it will be required to pay the AESO the following fees to help recover the AESO's costs related to implementing and administering REP Round 1:</p> <ul style="list-style-type: none"> – A fee of \$0.75/MWh over the first 3 years of the RESA support period; and – A fee of \$0.30/MWh over the 20-year RESA support period.
<p>Please clarify if the AESO fees required in the support period is \$0.75/MWh for years 1 – 3 and \$0.30/MWh for years 4 – 20.</p>	<p>The fee is \$1.05 in the first 3 years of support and \$0.30 for years 4 – 20. These fees are to help recover the AESO's costs related to implementing and administering REP Round 1.</p>
<p>Fuel Type</p>	
<p>What types of projects are eligible for REP Round 1?</p>	<p>Projects that are at least 5 MW (AC) in size and utilize an eligible fuel type (wind, solar, biomass, hydro and geothermal) are eligible to participate. Please refer to the RFQ available on the REP SharePoint site for further details.</p>
<p>Could a project integrate energy storage as a part of the proposal?</p>	<p>Energy storage will not be permitted as part of REP Round 1.</p>
<p>What are the eligibility requirements for biomass projects?</p>	<p>Biomass facilities must use an eligible biomass fuel, and, in the case of a forest resource, a sustainable forest resource. Further information about biomass is available on www.aeso.ca/rep on the <i>REP news and updates</i> page.</p>
<p>SharePoint</p>	
<p>How do I register for the AESO's REP SharePoint site?</p>	<p>To sign up for SharePoint and access the RFQ and the full form of the draft RESA, please email rep@aeso.ca with the subject line "SharePoint Registration." Only one user per company/legal entity is permitted to register.</p>
<p>When will SharePoint registration close?</p>	<p>Registration for SharePoint will be open until June 16, 2017.</p>
<p>What are the requirements to use SharePoint?</p>	<p>At the time of registration, instructions and a SharePoint FAQ will be provided detailing SharePoint registration requirements.</p>
<p>What if I have questions during RFQ?</p>	<p>A question and answer period for the REP Round 1 RFQ stage will be open from April 28 – June 9, 2017. All inquiries related to the RFQ and draft RESA must be submitted to the AESO through the REP SharePoint site. For all other general REP inquiries, please contact rep@aeso.ca.</p>
<p>RFQ</p>	
<p>When will respondents be notified if they have qualified?</p>	<p>The AESO intends to open the RFP on September 15, 2017. All respondents who are qualified to participate in the RFP will be notified prior to the RFP opening.</p>

<p>What are the RFQ requirements for REP Round 1?</p>	<p>The RFQ is available on the REP SharePoint site, and provides full details of all the RFQ requirements.</p>
<p>Will my project qualify for REP Round 1?</p>	<p>All interested parties need to independently assess whether their project will be able to meet the requirements of the RFQ for REP Round 1. Please refer to the RFQ available on the REP SharePoint site for further details.</p>
<p>What are the financial model requirements at RFQ? Will the AESO provide a template?</p>	<p>Each respondent must provide its own financial model that meets the requirements laid out in the RFQ. The AESO does not intend to provide a financial model template.</p>
<p>How is equity defined?</p>	<p>Equity refers to the amount of financing, other than debt financing, that a respondent determines to be necessary to fund a renewables project. Equity commitments will be based on that amount. The tangible net worth test will be calculated separately and is not linked to the amount of equity determined to be necessary by a respondent for any individual renewables project. Further details are provided in the RFQ, available on the REP SharePoint site.</p>
<p>Can control group members participate in multiple projects?</p>	<p>Please see the <i>REP news and updates</i> page on www.aeso.ca/rep for information on the AESO's common ownership rules, which govern the participation of control group members in a bid team. For more information, refer to the RFQ available on the REP SharePoint site.</p>
<p>Do I need to demonstrate I have control of the lands for my project site in my RFQ submission?</p>	<p>Yes, all bidders need to demonstrate site control at RFQ. Refer to the RFQ, available on the REP SharePoint site, for more information.</p>
<p>RFP</p>	
<p>At the RFP stage, will the winner(s) selected be based solely on the bid price or will the AESO consider other characteristics, such as time of day electricity is produced or the fuel type?</p>	<p>As per the AESO's REP Recommendations, the first REP competition will be kept simple given the tight timelines. To align with this principle, bidders who remain qualified at the RFP stage will be selected based solely on the lowest bid price (subject to an affordability threshold).</p>
<p>How will projects be ranked at RFP?</p>	<p>The target for REP Round 1 is to procure renewable attributes from up to 400 MW of renewables projects. Further details with respect to the procurement target are provided in the RFQ, available on the REP SharePoint site.</p> <p>Details on the selection criteria and ranking of projects are available in the RFQ and further details will be available in the RFP. The total volume procured is subject to Ministerial approval.</p>

<p>Is there any penalty if a successful proponent fails to execute a RESA?</p>	<p>A proponent that is successful at RFP but does not choose to execute a RESA will forfeit bid security (\$25,000/MW of a project's contract capacity). If a successful proponent has executed a RESA, the terms of the RESA will apply to any failure to develop the project, including a possible forfeiture of the performance security (\$50,000/MW of a project's contract capacity). Further details are available in the draft RESA, available on the REP SharePoint site.</p>
<p>Will bid security be returned?</p>	<p>The AESO intends to return the bid security to proponents who participate in the RFP but are not successful in the competition. For those proponents who are successful in the RFP and are awarded a RESA, the AESO intends to return the bid security as per the terms of the RFP.</p>
<p>RESA</p>	
<p>I have further questions and comments regarding the RESA. Will the AESO provide an opportunity for further consultation on the RESA?</p>	<p>The AESO appreciates the stakeholder feedback it received on the Key Provisions of the RESA in December 2016. This feedback is reflected in the updated key provisions which were approved by the Minister of Energy and posted on www.aeso.ca/rep on March 31, 2017.</p> <p>There will be no further consultation on the RESA.</p>
<p>Where can I find more information about the draft RESA?</p>	<p>The draft RESA is available on the REP SharePoint site and interested parties are encouraged to review it with legal counsel to understand the specific provisions that may be of interest to them.</p>
<p>How did the AESO determine the key provisions of the draft RESA?</p>	<p>Interested parties are encouraged to read the preamble to the Key Provisions of the RESA posted on the AESO's website for the AESO's approach to developing the key provisions.</p> <p>The draft RESA is available on the REP SharePoint site and interested parties are encouraged to review it with legal counsel to understand the specific provisions that may be of interest to them.</p>
<p>Are distribution connected projects eligible for an Option M payment above and beyond a contract for differences payment on settlement?</p>	<p>The RESA does not contemplate any form of support other than the indexed REC payment; however, it does not restrict the eligibility of distribution connected projects for Option M payments.</p>
<p>Regulations and Regulatory Process</p>	
<p>Does the AESO need to file a Needs Identification Document (NID) with the Alberta Utilities Commission (AUC) for each successful REP project?</p>	<p>The AESO is required to file a NID with the AUC to connect all generation projects, including REP projects. Please contact the AUC directly at www.auc.ab.ca with any questions related to their processes.</p>
<p>Could a successful REP project fail to get approval from the Alberta Utilities Commission?</p>	<p>The RFQ and draft RESA, available on the REP SharePoint site, provide details with respect to submitting approvals. There are no exemptions for REP projects related to approvals or other legislative or regulatory requirements.</p>

<p>Are successful REP projects exempt from any ISO rules or tariffs?</p>	<p>There are no exemptions for successful REP Round 1 projects. As with any other project, the existing legislative and regulatory framework will apply.</p>
<p>What regulations apply to the location of renewables projects?</p>	<p>In Alberta, generators are responsible for determining where they wish to locate their facilities, in accordance with applicable regulations. Please contact the Government of Alberta or Alberta Utilities Commission for further information on regulations related to the location of facilities.</p>
<p>Is there a guide to assist Alberta landowners who have been approached by a renewable energy developer seeking to lease land for the development and construction of renewable energy projects?</p>	<p>Yes, download the <i>Negotiating Renewable Energy Leases</i> landowner guide from Alberta Agriculture and Forestry at: http://www1.agric.gov.ab.ca/\$Department/deptdocs.nsf/All/agdex16246.</p>
<p>How will the liability of decommissioning and reclamation in case of bankruptcy/insolvency be handled?</p>	<p>Decommissioning and reclamation must be carried out according to the applicable laws in force at the time of such bankruptcy or insolvency.</p>
<p>Behind-the-fence Eligibility</p>	
<p>Are behind-the-fence projects eligible or does output need to be put on the Alberta grid?</p>	<p>Projects eligible to participate in REP Round 1 must, among other things, deliver 100 per cent of a project's contract capacity to the Alberta Interconnected Electric System (AIES), must be separately metered and must sell their power into the Alberta Power Pool. A behind-the-fence project will be subject to these eligibility requirements.</p> <p>The behind-the-fence process (as opposed to a behind the-fence project) describes the AESO's process to connect projects to a distribution system, or, for an expansion project connecting to the transmission system where no transmission connection facilities are required. These projects may be eligible to participate in REP Round 1 if they meet the criteria described above in addition to other criteria that will be described in the Request for Qualifications documents.</p>
<p>Connection Process</p>	
<p>Will successful REP projects be required to follow the AESO Connection Process?</p>	<p>Yes, REP Round 1 will require projects to follow the existing AESO Connection Process. This process has proven successful and connects customers in a timely fashion. REP projects will be treated no differently than other projects in the process.</p> <p>For more information on the AESO Connection Process, please visit: www.aeso.ca/grid/connecting-to-the-grid.</p>
<p>Does my project need to be in a certain stage of the Connection Process to qualify for REP Round 1?</p>	<p>There are no specific stage requirements. The evidence provided by a bidder at RFQ will need to demonstrate to the AESO's satisfaction that it is reasonable to expect the project to meet the target commercial operational date of December 1, 2019. Please see the RFQ available on the REP SharePoint</p>

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How are connection fees determined?	<p>Fees required to connect to the grid are dependent on project location and the scope of the transmission facilities necessary to connect the facility. Required connection contribution costs are determined through the AESO tariff. Interested parties can access an ID Contribution Calculator on the AESO website to help determine these cost allocations. A cost benchmarking tool is also available which provides historical information of all transmission facility costs to help forecast transmission connection fees.</p> <p>Once a project enters the Connection Process, customers must provide funding to the transmission facility owner prior to entering Stage 3 to cover Stage 3 and 4 costs. Once permit and license is granted, the transmission facility owner and customer work out final funding requirements.</p>
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Connection Capacity Assessment	
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Will the base case in June 2017 account for system upgrades to be in service before 2019?	Yes.
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What projects will be included when the base case is set in June 2017?	Please refer to the RFQ available on the REP SharePoint site for details.
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Will conditionally qualified REP proponents or successful proponents be able to advance their position in the AESO Connection Process ahead of other projects in the queue?	<p>The REP Round 1 connection capacity assessment is designed to determine whether a project meets the requirements of the competition (i.e. it will not trigger a system expansion). This assessment will not affect the requirements or a project's progress through the Connection Process. For clarity, there will be no preferential treatment of parties participating in REP Round 1. Unsuccessful projects in REP Round 1 are welcome to apply for the second or subsequent rounds subject to the eligibility criteria that will be determined for these future competitions.</p>
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System Expansion	
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Do building transmission facilities to connect to the grid qualify as a system expansion?	<p>Generation projects requesting access to the grid will require certain transmission facilities to connect them. Transmission connection facilities are determined specific to each project and may involve new transmission lines, substations, associated communication and protection equipment or modifications to existing facilities. These transmission connections are not considered to be system expansions and are paid for by the generator.</p> <p>For REP Round 1, the intent is to minimize costs to Albertans by requiring successful proponents and their investors to pay for transmission connection facilities.</p>
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Transmission Capacity	
Where can I find more information about Alberta's transmission system?	The AESO is mandated through legislation to operate the Alberta Interconnected Electric System in a safe, reliable and economic manner, and plan a transmission system that meets electricity demand today and in the future. General information about timing and location of future transmission facilities to meet Alberta's needs can be found in the AESO's <i>2015 Long-term Transmission Plan</i> available at www.aeso.ca/grid/long-term-transmission-plan . The AESO plans to release the <i>2017 Long-term Transmission Plan</i> in November 2017.
How much transmission capacity is available for REP Round 1?	The transmission system currently has the capacity to connect up to 2,600 MW of new generation in Alberta. The system cannot be expanded for REP Round 1 so the ability to connect to each area will be dependent on capacity within that area.
What are the areas of high demand in Alberta?	The AESO publishes a Connection Project List every month which shows the number of projects currently moving through the Connection Process. The list includes a reference to the planning area that each project is located in. Refer to the Planning Area Map for the location of each planning area.
Are renewables projects incented to locate in uncongested areas? Will future REP rounds value project location differently?	Renewables developers, like all generators in Alberta, are free to choose locations that are best suited to their particular projects. The requirement to connect to existing facilities for REP Round 1 provides an incentive for renewables developers to locate their projects where no system expansion is required. The <i>Renewable Electricity Act</i> requires the Minister of Energy to determine the objectives associated with each competition.
Is the AESO planning to move forward with SATR projects?	Transmission planning is an ongoing process, and the AESO is continually monitoring changes in economics, government policies and connection requests to assess impacts on existing transmission plans. Given the Climate Leadership Plan objectives of phasing out coal and integrating more renewable energy, the AESO is closely assessing the transmission system, including the Castle Rock Ridge to Chapel Rock Transmission Project. In a letter published January 2017, the AESO indicated that the Picture Butte to Etzikom Coulee Transmission Project (PBEC), Goose Lake to Etzikom Coulee Transmission Project (GLEC) and Etzikom Coulee to Whitley Transmission Project (ECW) components of the Southern Alberta Transmission Reinforcement (SATR) will not be proceeding. The milestone for the Chapel Rock to Goose Lake 240 kV development remains met and the AESO will be publishing further updates on this development in 2017.

<p>It is important to note there is capacity today to connect generation in the Pincher Creek area. Additionally, while the three SATR components above will not proceed, there remains a potential for renewable generation development in the area, which may require future transmission development. The AESO will continue to monitor the potential for renewable generation development in the area and will seek approval of appropriate transmission development as needed.</p>
