

# REP Rounds 2 & 3 Frequently Asked Questions (FAQ)



*The following questions have been received from parties interested in participating in Rounds 2 or 3 of the Renewable Electricity Program (REP). This FAQ was originally posted on April 13, 2018 and has been updated to address questions received at the REP Rounds 2 and 3 information sessions on April 17 and up until the REOI closing date of April 20. New questions and responses are indicated in **blue text** and new categories of questions are indicated with an asterisk (\*).*

## Rounds 2 & 3 Schedule

### 1. Can timelines be extended for Rounds 2 and 3?

The AESO is running two competitions in parallel, and the expected dates for competition stages identified [here](#) apply to both Round 2 and Round 3. These dates have been set to ensure that successful projects in each round can be awarded by the end of the year, and will not be changed.

### 2. Can the timelines for Round 2 be extended to allow more time for partnering and project development?

The competition schedule for Round 2 is available [here](#) and, similar to the schedule for Round 3, must be maintained so that successful projects can be awarded by the end of the year.

The Request for Qualifications (RFQ) stage for Round 2 opens on April 27, and closes June 21, 2018. The AESO has made special provisions for Round 2 to allow as much time as possible for interested parties to work out their partnership details for specific projects. For Round 2, interested parties only need to indicate ownership participation at the RFQ stage. Confirmation of Indigenous equity ownership must be demonstrated at the RFP stage, which opens on September 17 and closes on October 23, 2018.

### 3. Can Rounds 2 or 3 projects energize earlier than the target commercial operation date (COD) of June 30, 2021?

Yes, however, support payments will not be provided any earlier than April 1, 2020.

### 4. If I participated in Round 1, am I eligible to participate in Rounds 2 or 3?

Yes, parties that participated in Round 1 are eligible to participate in Round 2 or Round 3. All RFQ participants must provide all required information in Rounds 2 or 3, regardless of their participation in Round 1. There is no expedited process for Round 1 participants.

## REOI Related Questions

### 5. Do I need to submit an EOI Form in order to participate in the RFQ?

No, submitting an EOI Form is not a prerequisite to participating in the RFQ stage of Rounds 2 or 3. Please refer to Sections 1.3 and 4.1 of the REOI documents for Rounds 2 and 3.

**6. Does the party that submits an EOI form need to be the same party that submits the RFQ submission?**

No, any party can submit an EOI form. The EOI form assists the AESO in identifying those parties interested in participating in REP. Information received through this REOI may be used by the AESO to refine elements of the Rounds 2 and 3 competitions.

**7. Is there a fee to participate in the REOI stage?**

No, there are no fees to participate in the REOI stage of the competitions.

**8. When and where will the webinar presentation slides be posted?**

Presentation materials for the REP Rounds 2 and 3 information sessions are available on the AESO website. Please click [here](#) to view the Round 2 presentation and [here](#) for the webinar recording. Click [here](#) to view the Round 3 presentation and [here](#) for the webinar recording.

Please note the introduction to the Round 3 webinar was re-recorded to address technical issues with the audio during the session.

**9. Will the AESO make public the list of participants who attend the REOI information sessions on April 17, 2018?**

The AESO has posted lists of the parties who submitted Expression of Interest Forms for REP Rounds 2 and 3. Please click [here](#) to view the list for REP Round 2 and click [here](#) to view the REP Round 3 list.

The AESO may share other details from the REOI submissions on a confidential basis with the Government of Alberta. Please refer to Section 4.6 of the REOI documents for Rounds 2 and 3.

## Participating in Rounds 2 and 3

**10. How do I access the RFQ and draft RESA documents for Rounds 2 and 3?**

Copies of these documents will be available on [aeso.ca/rep](http://aeso.ca/rep) on April 27, 2018. However, any party who is considering participating in either Round 2 or Round 3 should register an account on Bonfirehub to view the competition documents. Further details on the AESO's registration process will be provided at the Rounds 2 and 3 REOI information sessions on April 17, 2018.

**11. Will separate Bonfirehub registrations be required from one company for each of REP 2 and REP 3?**

Yes, a company participating in Round 2 and Round 3 must complete two separate Bonfirehub Access and Participation Agreements. Each [Bonfirehub Access and Participation Agreement](#) can use the same or different user representative for Round 2 and Round 3. For more information, please refer to the [Bonfirehub FAQ](#).

**12. In the April 17, 2018 information session, AESO stated that REP Rounds 2 and 3 were adjusted based on lessons learned from REP Round 1. Please elaborate on these changes.**

Rounds 2 and 3 incorporate a number of lessons learned from Round 1 including: refining the financial strength test requirement, streamlining the prescribed forms, reducing the need for paper submissions, and reducing the maximum number of comparable facilities.

### 13. What is the minimum project size eligible to participate in Rounds 2 or 3?

To be eligible in Round 2 or Round 3, the proposed renewables project must have a proposed contract capacity equal to or greater than 5 MW.

### 14. With respect to the Tangible Net Worth (TNW) calculation, you said that we will be given the opportunity to rank our projects. Can you please advise when in the process we will need to notify you of the order that we would like you to consider them in?

At the RFQ stage, respondents submitting more than one project proposal will be required to provide an evaluation priority ranking for each renewables project proposal included in its submission. Such ranking will establish the order in which the respondent's project proposals included in their submission will be disqualified (in numerical order from highest to lowest priority, with one (1) being the highest priority) in the event the TNW of one or more of the respondent's designated equity providers is determined by the AESO to be insufficient to support some or all of such renewables project proposals.

Further details are provided in the RFQ documents for REP Rounds 2 and 3.

### 15. Is there a preference to any one renewable energy technology for Rounds 2 and 3?

No. Both Rounds 2 and 3 are technology neutral. All projects in Rounds 2 and 3 must utilize an eligible renewable energy resource as defined in the *Renewable Electricity Act*. Further details on requirements related to sustainable biomass are available [here](#).

Because energy storage is not considered a renewable resource under the *Renewable Electricity Act*, it is not eligible to participate in Rounds 2 or 3.

### 16. Can I bid the same project in Round 2 and Round 3?

No. A project may only compete in one of Round 2 and Round 3. Once a project has been submitted to the AESO through an RFQ submission for either Round 2 or Round 3, such project will no longer be eligible to participate in the other competition.

### 17. Does a project that gets submitted to both Round 2 and Round 3 get disqualified from both?

A renewables project may only be submitted into either Round 2 or Round 3, not both. Parties who are considering participating in both competitions are advised to ensure their submissions are uploaded to the correct Bonfirehub portal. Further details on project exclusivity requirements will be available in the Round 2 and Round 3 RFQ documents.

### 18. Can a project have multiple sizes or the same site location with another project?

No. The site of each project must be separate and distinct from the site of each other project and the projects must have separate metering points.

### 19. Can a project submit more than one price?

No. A project can only bid a single strike price.

### 20. What is meant by new and expanded projects?

New and expanded renewables projects located in Alberta will be eligible to participate in Rounds 2 and 3. A new renewables project that is located on a previously used site will be eligible if there has not been any generation unit utilizing renewable fuels on such site since September 1, 2017 and all generating units and

other equipment and facilities are new (other than transmission facilities and site infrastructure such as roads and utility services).

A facility that is expanded will be eligible if the addition of new generation units are separately metered and do not replace any existing generating equipment utilizing renewable fuels which are currently operating (or which utilized renewable fuels and have been operating at any time since September 1, 2017).

In all cases the projects must have a design life that is equal to or greater than the term of the RESA.

### **21. Does my project need to be in a certain stage of the Connection Process to qualify for Rounds 2 or 3?**

There are no specific project 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 operation date of June 30, 2021.

### **22. What if there is a material change to the capacity factor between the RFQ and RFP stages?**

The capacity factor submitted during the RFQ stage is re-confirmed at the RFP stage to account for any permitted changes to the project. Further details on what project elements may change between RFQ and RFP will be provided in the RFQ.

### **23. Can a project be located off reserve/settlement lands in REP Round 2?**

Yes. Projects located on private land are eligible to participate. As set out in this FAQ, there are different requirements for demonstrating site control for projects proposed to locate on private lands compared to projects located on reserve or settlement lands.

### **24. What are the site control requirements for projects not on reserve/settlement lands at the RFQ stage?**

The site control requirements for projects that are not on reserve/settlement lands are similar to the Round 1 site control requirements. The requirements include demonstrating that the respondent has title, or an option/agreement that provides right to acquire title; and/or a lease or an option/agreement to lease that provides the respondent with the right to construct, operate and maintain the renewables project, which lease has, or will have, a term that is no less than the term of the RESA. The details of these requirements will be provided in the RFQ.

## **Comparable Facilities\***

### **25. Can project experience be demonstrated at the company and individual level when it comes to the comparable facilities?**

Yes. Project experience is evaluated at the respondent team level, and the experience of all team members, including individuals, can be utilized to satisfy the project experience requirements. Respondents must demonstrate that their respondent team includes personnel with prior experience with project delivery such that their proposed renewables project has a reasonable expectation of meeting the target COD. Individuals must have gained experience in a managerial capacity and can use their experience from a previous employer who is not part of the respondent team to demonstrate their project delivery experience with comparable facilities.

Respondent team members may also use experience gained through an affiliate, provided that the relationship between the respondent team member and the affiliate is demonstrated as required by the RFQ.

**26. With respect to comparable facilities experience required, must the projects provided be located in North America or can they be global?**

At least one example of the development stage of project delivery must be demonstrated with a comparable facility that is located in North America.

**27. Would experience with microgeneration count towards experience?**

A comparable facility must have a nameplate capacity of not less than 50% of the contract capacity of the proposed renewables project. For example, a respondent proposing a 5 MW project could choose to use a comparable facility that has a nameplate capacity of 2.5 MW.

**28. How will an Indigenous-led proposal be able to demonstrate two or more comparable facilities per the RFQ rules? Doesn't this requirement basically disqualify any Indigenous-led projects since no Indigenous communities in Alberta have such experience?**

Experience is assessed at the respondent level, and so the experience of all team members will be considered. Indigenous communities who are concerned that they may not be able to meet the project experience requirements alone may wish to consider partnering with other team members to meet the requirements of the RFQ.

**29. Currently there are a limited number and/or size of renewable energy projects on lands or in partnership with Indigenous communities. Is there any leeway for the comparable facilities requirement in REP Round 2?**

An RFQ respondent is required to demonstrate to the AESO that the renewable project proposal they submit has a reasonable expectation of meeting the target COD. Part of such evaluation is a review of experience with comparable facilities. Please refer to the question 28 above for further information.

## Control Group Questions\*

**30. Can control group members participate in multiple projects?**

Participants must follow the AESO's common ownership and control rules. For more information, refer to the Common Ownership and Control section (Section 3.2.3) of the Round 2 or Round 3 REOI document.

**31. Does the designated equity provider (DEP) need to be included in the control group?**

Yes. The control group consists of the DEP and the project team lead. All DEPs participating in a qualification submission are part of the control group.

**32. Can a respondent be part of the control group for a proposal bid into REP Round 2 and also be a part of the control group for a separate proposal bid into REP Round 3?**

Yes. Control groups are round-specific, and there are no restrictions on control group membership between Round 2 and Round 3. A party that is a member of a control group for Round 2 may be part of a control group with different team members in Round 3.

**33. Can a respondent bidding into REP Round 3 be part of the control group for one proposal and be an equity participant (non-control group) for a second proposal? Does this violate any of the anti-collusion rules in the competition documents?**

Parties who are members of a control group may participate with another respondent team in the same round provided that they participate as a non-control group member. Designated equity providers (DEPs) will be considered members of the control group; an equity participant who is not a DEP will not be considered a member of the control group, and will therefore not be subject to the control group restrictions.

All parties must comply with the competition rules in order to be eligible for a RESA.

**34. Is a respondent for one RFQ submission allowed to partner with another respondent who may be submitting their own project in another RFQ submission in the same round?**

Provided that the common ownership rules are followed, this will be permitted. These rules restrict control group members (the designated equity providers and project team leads) from participating as part of the control group of any other renewables project. Control group members can participate as non-control group members for another respondent in the same round.

There are no restrictions on participation for project team members who are not part of the control group.

## Round 2 Indigenous Equity Participation Requirements

**35. How is Indigenous equity ownership defined for Round 2?**

Indigenous equity ownership is defined as the right to receive, or the opportunity to participate in any payment arising out of, or return from and exposure to, a loss or risk of loss by the business activities. Please refer to Section 3.1 of the Round 2 REOI document for further information.

**36. What are the requirements and restrictions relating to Indigenous equity participation in Round 2?**

At all times from the date of RFP submissions until at least the third anniversary of commercial operation of the project, not less than 25% of the equity ownership in respect of the generator (i.e. the project entity which owns the project assets and is the counter-party to the RESA) must be held by Qualifying Indigenous Communities (i.e. one or more First Nations in Alberta, Metis Settlements, the Metis Nation of Alberta, or the Aseniwuche Winewak Nation) or Qualifying Indigenous Entities (i.e. an entity which is 100% owned by a Qualifying Indigenous Community or a trust held by such a community).

**37. Are there any restrictions on changes to the Qualified Indigenous Community during the competition or during the term of the RESA?**

No changes to the proponent team members (including the Qualified Indigenous Community or Qualified Indigenous Entity) will be permitted between RFP submission and execution of the RESA. After the RESA is executed, the generator will be responsible for complying with both the general change of control and the Indigenous participation requirements of the RESA. Provided these requirements are met, a Qualified Indigenous Community (or Qualified Indigenous Entity) may transfer its ownership to another Qualified Indigenous Community (or Qualifying Indigenous Entity). These requirements are fully described in the draft RESA.



**38. Is it possible for the parties and Indigenous communities indicating ownership participation meeting the 25% equity requirement to change between the RFQ and RFP stages, provided that the control group stays consistent?**

The AESO does not require confirmation or a demonstration of Indigenous equity participation for Round 2 until the RFP. Respondents do not need to advise of any changes to Indigenous equity participation between RFQ and RFP.

**39. How will proponents demonstrate Indigenous equity ownership of 25%?**

An officer of the generator (or, if applicable, its general or managing partner), will be required to provide a statutory declaration as part of its RFP submission confirming that not less than 25% of the equity ownership in respect of the Generator is held by one or more Qualifying Indigenous Communities or Qualifying Indigenous Entities. Following execution of the RESA, the generator will be required to provide similar statutory declarations, confirming that the Indigenous participation requirement continues to be met, prior to commencement of construction, at commercial operation of the facility, and annually during the first three years following commercial operation.

**40. What is considered to be an acceptable indication of Indigenous ownership participation arrangements or progress toward such arrangements at the RFQ stage?**

At RFQ the AESO will consider the Indigenous community engagement activities undertaken to date as they relate to the development of the renewables project. This will be considered as part of the overall evaluation that will be conducted by the AESO to satisfy itself that the proposed renewables project can reasonably be expected to meet the target COD.

**41. Will the Special Purpose Vehicle (SPV) have to include the 25% Indigenous equity?**

Yes. This requirement must be met at the RFP. The Special Purpose Vehicle (SPV), i.e. the generator, is the legal entity that will own the project assets and be the counterparty to the RESA.

**42. Is the Indigenous community or development corporation required to be part of the SPV?**

The Indigenous community must hold 25% equity ownership in the SPV but these shares may be indirectly owned (e.g., through a wholly-owned subsidiary of the Indigenous community or development corporation).

**43. Can the designated equity provider of 51% include the Indigenous equity or will the 25% be in addition? If the Indigenous equity is finalized at RFP and changes the DEP amount, is that acceptable?**

All Round 2 projects must provide committed equity and meet the 25% Indigenous ownership requirement. These requirements may be met by the same participant. In cases where the Indigenous equity ownership is included as part of the DEP, this equity provider must meet the requirements of both the DEP and the Indigenous equity owner.

**44. Please confirm 25% indigenous equity participation can be both on and off reserve lands.**

All projects in Round 2, regardless of where the project is located, must include a minimum of 25% equity ownership.

**45. Will there be an advantage for a proponent to have over 25% Indigenous equity participation in a project for AESO's evaluation? In other words, is the Indigenous interest in a proposal a binary evaluation, or does more equity participation provide greater benefit in the evaluation of the project by the AESO?**

The 25% equity threshold is a minimum requirement for eligibility in REP Round 2 and is evaluated on a pass or fail basis.

**46. Please clarify why the 25% equity Indigenous participation is only required for 3 years post-COD.**

Three years post-COD is a minimum requirement. Parties may choose to hold the equity for the entire term of the RESA. This requirement is included pursuant to the Alberta Minister of Energy's [direction](#).

**47. Can Indigenous owned companies be the 25% equity share or does the company have to be community owned? I am wondering as a 100% Indigenous owned business can I be the 25% ownership portion of our grant application or does it have to be a larger group?**

At RFP the AESO will require that an eligible Indigenous entity have a minimum of 25% equity ownership in the renewables project. An eligible Indigenous entity will include:

- i. a corporation, partnership, association, company, or other legal entity which is wholly-owned, directly or indirectly, legally or beneficially, by one or more Qualifying Indigenous Communities; or
- ii. a trust in respect of which all beneficial interests are wholly-owned or held by one or more Qualifying Indigenous Communities.

**48. Can an Indigenous participant be part of more than one REP 2 respondent team? If a respondent has the opportunity to work with two separate indigenous groups on two separate projects, would that deem the respondent to be in violation of the Common Ownership provisions?**

Yes, an Indigenous participant can be part of more than one REP 2 respondent team. Provided that an Indigenous participant is not part of the control group for more than one respondent team, they may participate on two different projects.

**49. If an Indigenous project(s) has received Government of Alberta funding, does it forfeit the right to win a RESA?**

No, it does not forfeit the right to win a RESA. Each party will have to confirm that, as it may relate to participating in the competition, it is in compliance with the terms of any Government of Alberta funding it may have received.

## Site Control for Projects on Reserve Land or Metis Settlements

**50. In the Round 3 information session, siting projects on reserve or settlement lands was discussed. Is there an advantage or reason why a proponent would submit a project on reserve/settlement lands in Round 3 rather than Round 2? Is there any benefit/advantage for Indigenous projects bidding in Round 3?**

One of the changes relative to Round 1 is that all respondents (whether in Round 2 or Round 3) may choose to site their projects on reserve or settlement lands. All renewables projects must meet the relevant



site control requirements set out in the RFQ. Siting the project on reserve or settlements lands is permitted but is not a requirement and there is no additional benefit or consideration for projects located on reserve or settlement lands.

**51. As projects developed on reserve lands require both provincial and federal approvals, will this affect the project evaluation to reasonably meet the target COD?**

The evaluation of all projects will consider the applicable laws and regulations required of each project to assess if they have a reasonable expectation of meeting the target COD.

Where possible, timelines have been extended in consideration of Indigenous participation, including the target COD of June 30, 2021.

**52. What requirements must Respondents (person or group that responds to the RFQ) meet at the RFQ stage to demonstrate site control for projects that will be located on First Nations reserve land?**

Respondents will need to:

- identify the geographic location of the project properties which are part of the proposed site, including the name of the reserve, a legal description of such project properties, and a site diagram;
- provide a solicitor's opinion which confirms project location is on reserve land; and
- identify the First Nation community engagement activities undertaken to date as they relate to the renewable project's development.

**53. What requirements must Respondents meet at the RFQ stage to demonstrate site control for projects that will be located on Metis Settlement land?**

Respondents will need to:

- identify the geographic location of the project properties which are part of the proposed site, including the name of the Metis Settlement, a legal description of such project properties, and a site diagram;
- provide a solicitor's opinion which confirms project location is on Metis Settlement land; and
- identify the Metis community engagement activities undertaken to date as they relate to the renewable project's development.

**54. What documents need to be produced to indicate site location on First Nations reserve or Metis Settlement lands?**

Respondents will be required, as part of the RFQ qualification submissions, to provide a site diagram, including legal descriptions, for all properties constituting the site. The Respondent's solicitor will be required to provide an opinion that such properties and site are located on a reserve or settlement, as the case may be. In order to provide this opinion, a solicitor will need to examine title documents, and, in the case of reserve lands, may need to examine reserve general abstract reports, parcel abstract reports, and/or plans of survey registered in the Canada Lands Survey Records.

**55. What requirements must Respondents meet at the RFP stage to demonstrate site control for projects that will be located on First Nations reserve land?**

Respondents will need to:

- reconfirm that the geographic location of the project properties which are part of the proposed site have not changed;

- have evidence of a designation under Section 38(2) of the *Indian Act* (Canada) confirming that such reserve land has been appropriately designated for lease;
- have each of the following:
  - a binding agreement with the applicable First Nation which sets forth the terms and conditions upon which the Respondent's project company will enter into a lease with the Crown (or a sub-lease, or an option/agreement to acquire a lease or sub-lease) in respect of such reserve land, subject only to the approval of (or such changes as may be required by) the Crown; and
  - evidence of a band council resolution authorizing the reserve land manager to request the Crown to finalize a lease which incorporates the terms and conditions of such binding agreement (along with evidence that such resolution has been submitted to the reserve land manager );
- provide a waiver from the applicable First Nation, in favour of the AESO, of its rights under Section 89 of the *Indian Act* (Canada) in relation to the project. This waiver would only become effective if the party executes a RESA.
- provide a solicitor's opinion which confirms, among other things, compliance with the foregoing.

**56. Is a Band Council Resolution required if the land lease to develop on First Nations land is in place?**

No. Provided that the lease can be demonstrated, a Band Council Resolution is not required. Full details of how site control will need to be demonstrated will be provided in the Round 2 and Round 3 RFQ documents.

**57. What type of land designation is required for projects on First Nations lands?**

The land designation will be required at RFP and must be suitable for the development of the renewables project. Parties are advised to consult with independent legal counsel for further information related to the satisfaction of this requirement.

**58. What requirements must Respondents meet at the RFP stage to demonstrate site control for projects that will be located on Metis Settlement lands?**

Respondents will need to:

- reconfirm that the geographic location of the project properties which are part of the proposed site have not changed;
- have a lease from the applicable Settlement Council (or a sub-lease, or an option/agreement to acquire a lease or sub-lease) in respect of such settlement land, which is only conditional upon the enactment of a bylaw of the applicable settlement authorizing a lease term which is longer than 10 years (and which is not less than the term of the RESA); and provide a solicitor's opinion which confirms, among other things, compliance with the foregoing.

**59. If the renewables project is awarded a RESA, what final documents must be produced to evidence site control for First Nations reserve or Metis Settlement lands prior to commencement of construction?**

If a project is on First Nations reserve lands, Generators will need to:

- have a lease from the Crown (or a sub-lease) in respect of such reserve land; and
- provide a solicitor's opinion which confirms compliance with the foregoing.

If a project is on Metis Settlement lands, Generators will need to:

- provide evidence that a bylaw of the applicable settlement has been enacted which authorizes a lease term which is longer than 10 years (and which is not less than the term of the RESA); and
- provide a solicitor's opinion which confirms compliance with the foregoing.

## Transmission and Connection Capacity Assessment\*

### 60. 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 *2017 Long-term Transmission Plan* available [here](#).

### 61. Are there any areas with limited transmission capacity 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 AESO's [Planning Area Map](#) for the location of each planning area.

Please note that there is currently limited transmission capacity in the central east area of the Central Planning Region of the province. Based on current information, the AESO expects to be able to connect approximately 130 MW of renewables projects in the Central Planning Region.

### 62. Does the AESO require projects in the Central East region to be limited to 130 MW to meet the transmission assessment requirements at the RFQ stage?

At the RFQ stage, the AESO will conduct a transmission assessment for each renewables project. Renewables projects will be individually assessed to ensure they can connect their full capacity to the existing system without requiring any expansion. The AESO expects to be able to connect approximately 130 MW of additional generation in the Central East region. It is the responsibility of each respondent to determine the size of their proposed project.

### 63. Could you please provide more detail on what constitutes the Central East region and what areas are covered by the 130 MW limited transmission capacity?

The AESO expects to be able to connect approximately 130 MW of renewables projects in the Central East region. This region is a subset of the Central planning region, and it comprises the following AESO planning areas: Vegreville (Area 56), Lloydminster (Area 13), Wainwright (Area 32), Provost (Area 37), Alliance/Battle River (Area 36), and Hanna (Area 42). Please click [here](#) see these areas.

### 64. Please clarify whether all the projects that qualified under Round 2 will be allocated transmission capacity over Round 3 projects or just those projects that were successful in securing a RESA under REP Round 2.

The RFP transmission assessment for Round 3 renewables projects will consider the transmission capacity remaining based on the Round 2 volume approved by Alberta's Minister of Energy, not the total volume of renewables projects qualified as part of the Round 2 RFQ stage.

**65. Does my project’s position in the AESO Connection Process affect the transmission assessment? For example, if a Round 3 project is ahead of another Round 2 project in the AESO Connection Process, does the RFP connection assessment give the Round 3 project preference for connection?**

Projects are not required to be at a certain stage in the Connection Process in either Round 2 or 3, but respondents do need to demonstrate with reasonable assurance within their RFQ submission that their projects are able to meet the June 30, 2021 commercial operation date.

At the RFP stage of Round 3, the AESO will conduct an additional connection assessment to determine if Round 3 renewables projects can connect the project’s full contract capacity based on Round 3 strike price ranking. This assessment is independent of the AESO’s Connection Process and the position of the project in the Connection Process is not considered.

The RFP connection assessment for Round 3 renewables projects will consider the transmission capacity remaining based on the Round 2 volume approved by Alberta’s Minister of Energy.

**66. Will projects that have advanced through the AESO Connection Process and that have been assigned one or more remedial action schemes (RAS) still meet the transmission assessment requirement in the RFQ and RFP evaluation?**

A renewables project must be able to connect to the existing transmission or distribution system and be connected where the system has available capacity under normal conditions (all elements in service) to accept 100% of the renewables project’s contract capacity. The stage of a project in the AESO’s Connection Process is not considered as part of the transmission assessment for either Round 2 or Round 3 at RFQ or RFP.

**67. When will the AESO freeze the base case parameters for the transmission assessment? How will the AESO consider connection generation projects that are not included in the base case assumptions, or approved TFO maintenance projects in terms of transmission capacity?**

The base case parameters will be frozen as of the RFQ submission deadline date of June 21, 2018. The base case will include all generation projects, excluding those that are participating in REP Round 2 or REP Round 3, that, on or before June 21, 2018:

- i. have paid the Generating Unit Owner’s Contribution (as such term is defined in ISO Tariff, Section 10) and/or begun construction of their transmission connection facilities; and
- ii. have a stated in-service date prior to June 30, 2021. The base case will also include all generation projects awarded RESAs pursuant to REP Round 1 and approved system projects and committed capital maintenance projects that have an approved in-service date of June 2021 or earlier.

**68. Will the AESO accept an independent stamped engineering report proving that my project can connect to the existing transmission or distribution system as part of my RFQ submission?**

No. The AESO conducts the transmission assessment for each renewables project. Projects will be individually assessed to ensure they can connect their full capacity to the existing system without requiring any expansion.

**69. Will the AESO provide a definitive answer to specific projects with respect to the available transmission capacity prior to the RFQ submission?**

No. This assessment will be conducted as part of the evaluation of renewables projects at the RFQ stage after the RFQ submission deadline of June 21, 2018.

## **Selection Criteria\***

**70. Will the selection criteria take into account a project's production profile?**

No. The production profile of the proposed renewables project will not be taken into account in the evaluation process.

**71. 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 the time of day electricity is produced or the fuel type? Could it happen that a lower-priced project in REP Round 3 may lose to a higher-priced project in REP Round 2?**

At RFP, qualified projects that meet the eligibility criteria will be ranked only according to their bid strike price against other qualified projects within the same round. The proponents of projects that meet all eligibility criteria (including connecting to the existing system) and have the lowest bid prices will, subject to certain ministerial approvals required under the *Renewable Electricity Act*, be awarded a RESA for each such renewables project.

**72. Do respondents receive more points for having more Indigenous content?**

No. The evaluation is conducted on a pass/fail basis and does not include a points system.

**73. Is a project on reserve/settlement land evaluated in the same manner as any other project?**

Yes. All projects are evaluated on a pass/fail basis and are required to meet the criteria set out in the RFQ.

## **RESA Questions\***

**74. Where can I find more information about the RESA?**

The RESA for Round 1 approved by Alberta's Minister of Energy is available [here](#). The RESA key provisions for Round 2 are available [here](#) and the RESA key provisions for Round 3 are available [here](#). A copy of the draft RESA approved by the Alberta Minister of Energy for Rounds 2 and 3 will be available on [aeso.ca/rep](http://aeso.ca/rep) on April 27, 2018. Interested parties are encouraged to review the RESA with legal counsel to understand the specific provisions that may be of interest to them.

**75. Is the proponent allowed to sell the project to a third party entity between the RFP process and COD?**

No changes to the proponent team members (including the Qualified Indigenous Community or Qualified Indigenous Entity) will be permitted between RFP submission and execution of the RESA. After the RESA is executed, the generator will be responsible for complying with both the general change of control and the Indigenous participation requirements of the RESA. Provided these requirements are met, a Qualified Indigenous Community (or Qualified Indigenous Entity), may transfer its ownership to another Qualified Indigenous Community (or Qualifying Indigenous Entity). These requirements are fully described in the draft RESA. Refer to the RFQ documents and draft RESAs for more information, available April 27, 2018.

**76. What is the timeline for forming the legal entity that will own the project assets and be the counterparty to the RESA?**

The Special Purpose Vehicle (SPV), i.e. the generator, is the legal entity that will own the project assets and be the counterparty to the RESA. The SPV may be formed at the time of RFQ submissions, but this is not a requirement. The SPV must, however, be formed at the time of the RFP submissions.

**77. Will the Indexed REC that is paid through the RESA be a fixed price for 20 years or will it escalate?**

The indexed REC payment mechanism is subject to escalation under the terms of the RESA. 20% of the strike price is adjusted by the Alberta Consumer Price Index annually for the term of the RESA. Further details on the calculation are available in the draft RESA, available on April 27, 2018.

**78. Can a project sell energy and/or corresponding RECs separate from the RESA?**

No. The terms of the RESA require that all energy is sold into the power pool and all renewable attributes from the production of energy are transferred to the AESO.

**79. Will distribution-connected projects still be able to receive distribution generation credits (for example, Option M credits)?**

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 to receive distribution generation credits.