



<p><b>Period of Comment:</b> October 26, 2020 through November 9, 2020</p> <p><b>Comments From:</b> TransCanada Energy Ltd. (TCE)</p> <p><b>Date:</b> 2020/11/09</p>	<p><b>Contact:</b> Mark Thompson</p> <p><b>Phone:</b> 403-589-7193</p> <p><b>Email:</b> markj_thompson@tcenergy.com</p>
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**Instructions:**

1. Please fill out the section above as indicated.
2. Please refer back to the *Letter of Notice for Feedback on the Content of Proposed Options for Amended Section 505.2* under the “Related Materials” section to view the actual draft proposed materials on amended Section 505.2.
3. On the sections of the rule listed below, please provide your specific comments, proposed revisions, and reasons for your position underneath (if any). Blank boxes will be interpreted as favourable comments.
4. Please be advised that general comments do not give the AESO any specific issue to consider and address, and results in a general response.

Question	Stakeholder Comments
<p><b>Refund of Generating Unit Owner’s Contribution</b></p> <p><b>2</b> The <b>ISO</b> must calculate a refund for each calendar year during the refund period as follows:</p> <p style="padding-left: 40px;">refund = (annual amount x availability) x (1 – penalty factor)</p> <p>where:</p> <p>(a) annual amount is as specified in the <b>ISO tariff</b>;</p>	<p>TCE understands that a Generating Unit Owner’s Contribution (GUOC) payment is a function of its maximum capability (MC) and the region in which it connects to the transmission system. In this sense, the GUOC payment is intended to act as a price signal for the transmission cost associated with generation in a region. TCE further understands that this GUOC payment is independent of type of generation. In other words, within a specific region a GUOC payment for a generator with a 50 MW MC will be the same regardless of generation type. TCE submits that this is appropriate considering the commensurate transmission requirement.</p>

Question	Stakeholder Comments
<p>(b) availability is the availability factor assessed for the calendar year in accordance with subsection 3(1); and</p> <p>(c) penalty factor is the penalty factor calculated for the calendar year in accordance with subsection 3(2).</p>	<p>This proposed rule fairly applies the same refund formula and performance assessment for all generation types.</p>
<p><b>Performance Assessment</b></p>	
<p><b>3(1)</b> The <b>ISO</b> must assess the availability of a <b>generating unit</b> or <b>aggregated generating facility</b> as follows:</p> <p>(a) if the <b>revenue meter</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> recorded metered energy in a <b>settlement interval</b> during the previous calendar year, availability factor is 100%;</p> <p>(b) if the <b>revenue meter</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> recorded zero metered energy in all <b>settlement intervals</b> during the previous calendar year, availability factor is 0%.</p>	<p>The binary nature of this section is both fair and easily understood.</p>
<p><b>(2)</b> If the <b>maximum capability</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> on the first day of each calendar year during the refund period is less than its critical <b>maximum capability</b>, the <b>ISO</b> must assess a penalty factor as follows:</p> $\text{penalty factor} = \frac{\text{ABS}(\text{critical maximum capability} - \text{energized maximum capability})}{\text{critical maximum capability}}$ <p>where:</p>	<p>Overall, TCE supports the AESO's goal to simplify the calculation of the GUOC refund. TCE understands that the intent of this section is to establish an incentive for developers to provide accurate MC data to the AESO. This is largely achieved, but further simplifications or clarity would be beneficial, as follows.</p> <ol style="list-style-type: none"> <li>1. It is not clear which MC the AESO is referring to when it states, "[i]f the maximum capability of the generating unit ... on the first day of each calendar year ..." TCE anticipates that this is the energized MC. If not, TCE requests that the AESO clarify which MC is intended.</li> </ol>

Question	Stakeholder Comments
<p>(a) critical maximum capability is</p> <ul style="list-style-type: none"> <li>(i) the <b>maximum capability</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> at the time the Rate STS system access service agreement is effective; or</li> <li>(ii) energized <b>maximum capability</b> as defined in subsection 3(2)(b), if there is no change in Rate STS at the point of supply;</li> </ul> <p>and</p> <p>(b) energized <b>maximum capability</b> is the <b>maximum capability</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> following energization and <b>commissioning</b>.</p>	<ol style="list-style-type: none"> <li>2. TCE understands that the absolute value is used in the penalty formula to account for circumstances when the energized MC may be higher than the critical MC, in which case the generator would be penalized for underpaying its GUOC payment. However, there are two issues with this. First, the language preceding the penalty factor formula limits the penalty factor to circumstances where the MC is less than the critical MC. Second, the AESO already has the ability to ensure that a generator's System Access Service Agreement aligns with its generation asset.</li> <li>3. It would be unfair to base the penalty factor on its MC on the first day of a calendar year if a generator were to increase its MC at some point later in the year. Instead, TCE recommends that the energized MC be determined as the weighted average MC over the calendar year.</li> <li>4. Subsection (2)(a)(ii) should be modified to clarify the intent of the phrase following the comma. TCE understands that the intent is "if there is no change in the Rate STS <u>volume</u> at the point of supply <u>for distribution-connected or behind-the-fence generation</u>."</li> </ol> <p>On the basis of the foregoing, TCE recommends that subsection (2) be replaced with the following:</p> <p><b>(2) The ISO must assess a penalty factor as follows:</b></p> $\text{penalty factor} = \text{Max} [0, (\text{critical maximum capability} - \text{energized maximum capability}) \div \text{critical maximum capability}]$ <p>where:</p> <ul style="list-style-type: none"> <li>(c) critical maximum capability is <ul style="list-style-type: none"> <li>(i) the <b>maximum capability</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> at the time the Rate STS system access service agreement is effective; or</li> </ul> </li> </ul>

Question	Stakeholder Comments
	<p>(ii) energized <b>maximum capability</b> as defined in subsection 3(2)(b), if there is no change in the Rate STS volume at the point of supply for distribution-connected or behind-the-fence generation;</p> <p>and</p> <p>(d) energized <b>maximum capability</b> is the weighted average <b>maximum capability</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> over a calendar year following energization and <b>commissioning</b>.</p>
<p><b>Preliminary Refund Assessment</b></p>	
<p><b>4</b> The <b>ISO</b> must provide a preliminary refund assessment, along with relevant input data, to the <b>legal owner</b> of a <b>generating unit</b> or an <b>aggregated generating facility</b> by January 31 of the year following the calendar year to which the refund relates.</p>	<p>No comment.</p>