

Stakeholder Proposal Evaluation – May 4, 2020

Participant-Related Costs for DFOs (Substation Fraction) and DFO Cost Flow-Through Technical Session 2A



Period of Comment: May 4, 2020 through May 20, 2020	Contact: [REDACTED]
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Date: 2020/05/20	Email: [REDACTED]

Document purpose

The purpose of this document is to provide a structured and consistent guide to workshop participants to evaluate each of the proposals.

Instructions

1. Please fill out the section above as indicated.
2. Please complete an evaluation on each of the proposals using the tables below (Tables 2-7). Please provide your reason(s) as to why you think the proposal does/does not meet each of the evaluation criteria.
3. Once you have completed an evaluation on each of the proposals, please choose your preferred proposal with an explanation as to why in Table 1: Overall evaluation.
4. **Please submit one completed evaluation per organization.**
5. Email your completed evaluation to tariffdesign@aeso.ca by **May 20, 2020**.

Table 1: Overall evaluation

Questions	Stakeholder Evaluation
<p>1. Which proposal did you prefer? Please explain why.</p>	<p>Solar Krafte.</p> <p>The proposal is fair, easy to understand, simple, effective and fosters competition and encourages new market entry.</p> <p>Implementing the proposal requires only the insertion of one provision into the limitations section of Section 8 of the Tariff, where the provision would protect DCG from construction contribution substation fraction where the connection project is initiated by the DFO.</p> <p>Everything is in place. It involves no arbitrary and elaborate calculations or methods to roll out costs from rate-base and convert these costs to a flow-through charge to the DCG interconnection. And it is lawful. The proposal aligns the AESO with its charter duties of fairness and non-discriminatory approach to access to the "interconnected electric system", which is defined in the Act as "all transmissions facilities and all electric distribution systems in Alberta that are interconnected".</p>
<p>2. What are the challenges or unresolved questions with your preferred proposal?</p>	<p>The language of the provision needs to be drafted, and it needs to protect the DFO's investment. We propose something simple like this: "Where the connection project is initiated by the DFO, the DTS fraction shall be 1.0".</p>
<p>3. What aspects from the other proposals would you like to see applied to your preferred proposal?</p>	<p>N/A</p>
<p>4. Additional comments</p>	<p>The issue is not one of policy but of jurisdiction. The mere fact the Transmission Regulation expressly allows the AESO to define "local interconnection costs" is not license for the AESO to trump its charter duties of fairness and non-discriminatory approach to access to the AIES. Only legislation can trump these duties.</p> <p>We saw this with the AESO's Renewable Electricity Program (REP) where the Alberta legislature passed the <i>Renewable Electricity Act</i> ("REA"). Under REP, the AESO reserved transmission capacity for REP projects, trumping the AESO's</p>

Questions	Stakeholder Evaluation
	<p>duties of fairness and non-discriminatory approach to access to the AIES. To reconcile this conflict, the legislature added section 16(2) to the REA, which provided an explicit exemption from the AESO's charter duties of fairness and non-discriminatory approach in relation to the development of REP proposals under the REA.</p> <p>In the absence of legislation, the AESO must acknowledge its error and remedy the prejudice the AESO's unlawful definition of local connection costs has caused and continues to cause market participants who connect to the distribution system of the AIES, i.e., DCG.</p> <p>The AESO does not have the right, nor do Fortis or URICA for that matter, to bargain away DCG's statutory right to be treated fairly.</p> <p>Fortis is no friend of DCG and they never have been. Their position is clear. They align themselves with their rate base and always have. In every Option M proceeding to date Fortis has fought tooth and nail against DCG and the underpinned acknowledgment that the AIES derives real benefit from DCG. AltaLink, of course, profits directly and consistently from the bloated, and bloating, transmission asset base fostered through the unfair and noncompetitive treatment of DCG. And URICA's relationship to DCG is tenuous at best. We respect URICA but we recognize who they serve. Their bread and butter is TCG.</p> <p>Solar Krafte has significantly more project bandwidth connecting as TCG than DCG. We have always been strong advocates for a strong Alberta, and we are participating here to serve that outcome.</p> <p>It is understood, and accepted, that a healthy and efficient proliferation of DCG in an electrical system offers benefits to the grid and the public who use and pay for this critical infrastructure. Treating DCG unfairly leads to an unbalanced and inefficient need for bloated transmission infrastructure, with the accompanying bloated transmission costs.</p> <p>At its heart, the issue here is simple, and was very clearly defined by BlueEarth in their original in-person presentation. Excluding GUOC payments that both DCG</p>

Questions	Stakeholder Evaluation
	<p>and TCG pay equally, Alberta TCG pays \$0 (nil) non-incremental connection costs, whereas DCG pays unlimited non-incremental connection costs. This uneven system is not only inefficient and unfair, it is unlawful and harmful to the public, who pays for the electrical system.</p> <p>The key party at this proceeding, the party whose job and legislated duty is to protect and treat DCG fairly, is the AESO. The reason the AESO is weighed with this legal responsibility, is for the benefit of Alberta users of electricity, the public. This legal responsibility is not a chattel that can be sold, traded, or bargained.</p>

Table 2: Evaluation of Proposal: Canadian Solar Solutions Inc.

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	8.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Yes.
3. Is the proposal feasible?	
4. Which stakeholders are best served by this proposal? Why?	The public.
5. Which stakeholders are least served by this proposal? Why?	The privileged TCG.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	Yes.
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	Yes.
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	
9. Additional comments	

Table 3: Evaluation of Proposal: DCG Consortium

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	2
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	The proposal is palpably desperate. But we get this. Existentially threatened by an 8-figure flow through charge.
3. Is the proposal feasible?	
4. Which stakeholders are best served by this proposal? Why?	
5. Which stakeholders are least served by this proposal? Why?	
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	
9. Additional comments	

Table 4: Evaluation of Proposal: FortisAlberta Inc.

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	1
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	
3. Is the proposal feasible?	
4. Which stakeholders are best served by this proposal? Why?	
5. Which stakeholders are least served by this proposal? Why?	
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	
9. Additional comments	

Table 5: Evaluation of Proposal: Lionstooth Energy

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	
3. Is the proposal feasible?	
4. Which stakeholders are best served by this proposal? Why?	
5. Which stakeholders are least served by this proposal? Why?	
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	
9. Additional comments	

Table 6: Evaluation of Proposal: Solarkrafte

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	10
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Yes.
3. Is the proposal feasible?	Yes.
4. Which stakeholders are best served by this proposal? Why?	The public.
5. Which stakeholders are least served by this proposal? Why?	The privileged TCG.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	Yes.
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	Yes.
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	The language for the provision needs to be drafted.
9. Additional comments	See Table 1 comments.

Table 7: Evaluation of Proposal: URICA

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	1
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	
3. Is the proposal feasible?	
4. Which stakeholders are best served by this proposal? Why?	
5. Which stakeholders are least served by this proposal? Why?	
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	
9. Additional comments	

Appendix A

Principle	Description
Overarching	Tariff design and implementation facilitates a fair, efficient and openly competitive market (FEOC) <ul style="list-style-type: none"> • Fosters competition and encourages new market entry • Efficiency • Avoidance of undue discrimination • Fairness
Principle 1	Parity between transmission interconnection costs calculation for transmission connected customers and distribution connected customers while enabling effective price signals to ensure optimal use of existing distribution and transmission facilities <ul style="list-style-type: none"> • Fairness • Effective price signals
Principle 2	Market participants should be responsible for an appropriate share of the costs of transmission facilities that are required to provide them with access to the transmission system (may include paying a contribution towards facilities paid for by other customers and refund to the customer that paid) <ul style="list-style-type: none"> • Fairness • Cost Causation
Principle 3	DCG participants should have cost certainty when making their final investment decision (FID) <ul style="list-style-type: none"> • Certainty of future costs • Stability
Principle 4	DFOs should be provided with reasonable certainty re: cost treatment/recovery <ul style="list-style-type: none"> • Certainty of future costs • Stability
Principle 5 (added)	Ease of understanding and implementation <ul style="list-style-type: none"> • Simplicity • Stability