

## Stakeholder Comment Matrix – June 25, 2020

Participant-Related Costs for DFOs (Substation Fraction) and DFO Cost Flow-Through  
Technical Session 3



<b>Period of Comment:</b> June 25, 2020 through July 17, 2020	<b>Contact:</b> ██████████
<b>Comments From:</b> Capital Power Corporation	<b>Phone:</b> ██████████
<b>Date:</b> July 17, 2020	<b>Email:</b> ██

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
- 3. Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to [tariffdesign@aeso.ca](mailto:tariffdesign@aeso.ca) by **July 17, 2020**.

***The AESO is seeking comments from Stakeholders with regard to the following matters:***

	Questions	Stakeholder Comments
1.	<p>Please comment on Technical Session 3 hosted on June 25, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?</p>	<p>Capital Power appreciates the opportunity to provide feedback to the AESO on the outcome of the most recent session regarding participant-related costs for DFOs and mechanisms for cost flow-through to distribution-connected generators (“DCG”).</p> <p>While Capital Power is surprised by the AESO’s most recent position on an appropriate path forward, the technical sessions are valuable to stakeholders to understand the views of all parties. Where there is significant divergence in views, as there is on this file, there is value in continued discussion in these forums. Capital Power submits that the AESO proposal does not align with the objectives and principles of the initial consultation, and further discussion in this forum is needed before submitting a report to the Commission.</p>

2.	<p>Please comment on your level of support for the AESO's revised proposal and the level to which AESO's revised proposal supports the principles (as developed through this stakeholder engagement). Please be as specific as possible.</p>	<p>Capital Power supports the general principles established by the AESO for this consultation, specifically, the need for cost certainty, the importance of parity between distribution and transmission-connected generation, and achieving certainty for DFOs regarding cost flow-through mechanisms to DCGs. However, Capital Power submits that the AESO's revised proposal is at odds with all of these principles, and should therefore, be revisited.</p> <p>In revising their position on an appropriate regulatory solution, the AESO noted that there had been reflection on the transformational change occurring in Alberta's electricity industry. In considering this transformation, the AESO questioned whether a DCG charge was the most effective solution, whether it would be more appropriately determined by DFOs, and whether a charge housed in the ISO tariff would align with this ongoing transformation. While Capital Power supports this strategic evaluation of the AESO's processes and authoritative documents, there are immediate regulatory changes that are needed to address today's issues.</p> <p>The changes that are proposed by the AESO will create a situation where all market participants are faced with the same, if not more, uncertainty than before the engagement. Changes to the market from increasing penetration of DCG is occurring now. It is incumbent on the AESO to address the current regulatory framework where there is treatment that does not support cost certainty, equity, and predictability. Capital Power respectfully requests the AESO revisit their proposed approach to this matter and continue consultation on an appropriate charge to be applied to DCG that recognizes the benefits that accrue to these generators from the use of shared facilities.</p>
3.	<p>Please comment on any outstanding risks or issues you see with the AESO's revised proposal. Please be as specific as possible.</p>	<p>The AESO's proposed approach has introduced significantly more uncertainty to the process of developing a framework that ensures predictability and equity amongst market participants. The timelines to come to a resolution on this matter will now be extended for a significant period of time, during which, inequity amongst market participants will persist and developers will face continued uncertainty.</p>
4.	<p>Please provide any further comments you may have on next steps regarding regulatory process and implementation. Please be as specific as possible.</p>	<p>Capital Power submits that the AESO's proposed approach is at odds with the objectives and principles established at the outset of this consultation, and respectfully requests that further consultation be undertaken with stakeholders to establish an appropriate charge for DCG that is consistent with the treatment afforded to transmission-connected generators. This work should occur in the current stakeholder engagement forum.</p>

5. Additional comments	Capital Power has no additional comments at this time.
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Thank you for your input. Please email your comments to: [tariffdesign@aeso.ca](mailto:tariffdesign@aeso.ca).