

Stakeholder Comment Matrix – June 25, 2020

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



Period of Comment: June 25, 2020 through July 17, 2020	Contact: [REDACTED]
Comments From: Lionstooth Energy	Phone: [REDACTED]
Date: 2020/07/17	Email: [REDACTED]

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 by July 17, 2020.

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

	Questions	Stakeholder Comments
1.	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>Lionstooth Energy (Lionstooth) appreciates the efforts put forth by the AESO in their revised proposal, ceasing the use of the substation fraction methodology and recalling the existing CCDs.</p> <p>In Session 3, the AESO stated their focus is on broader ISO tariff issues and modernizing, simplifying, and streamlining the ISO tariff.¹ In the DER Roadmap, the AESO has clarified their focus will be informed by their legislative mandate.² Lionstooth supports the AESO focusing on their mandate and even stepping back from directing or leading change in areas outside of this mandate. There must be a measured and thoughtful pace to change in order to prevent unintended consequences and restore investor certainty, especially as it relates to DCGs.</p> <p>It is vital that as our market evolves that the status quo be maintained until such time that any potential changes are clearly understood, their need confirmed, and the impact to stakeholders studied. Only the DOE can establish policy and if questions as to the efficacy or relevance of policy are raised, we must first seek</p>

¹ AESO Technical Session 3 Presentation (posted 22 Jun 2020), slide 22. www.aeso.ca/assets/Uploads/AESO-Technical-Session-3-Presentation.pdf

² AESO DER Roadmap (June 2020), pdf page 5. www.aeso.ca/assets/Uploads/DER-Roadmap-2020-FINAL.pdf

		<p>clarity from the DOE before pursuing or implementing any market changes, if needed.</p> <p>A measured and thoughtful pace to change ensures we protect all customers of the integrated electric system, including both loads and generators, from potential unintended consequences as well as preserve support for investment in Alberta.</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>While Lionstooth generally agrees with aspects of the revised proposal outlined by the AESO in Session 3, we will not be providing a statement of support until we see the application to the Commission to revise the tariff and recall the CCDs. It is imperative that the revised proposal appropriately addresses the means by which issued CCDs will be recalled, confirms that interconnection costs for DCGs will be allocated at a single point in time, and future unfettered risk will no longer apply in this regard.</p> <p>We note that the AESO continues to be of the opinion that an “incremental plus” approach to DCG connection costs could occur through DFO tariffs. Lionstooth remains adamant that DCGs are already paying their fair share of interconnection costs and we do not support any “incremental plus” proposals.</p> <p>In terms of the level to which the AESO's revised proposal meets the principles “generally agreed to” in these Technical Sessions, Lionstooth remains of the view that these principles are flawed.³ This, however, should not impact the AESO proceeding with their revised proposal.</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>Lionstooth has identified the following outstanding risks and issues with the AESO's revised proposal:</p> <ul style="list-style-type: none"> • ensuring the appropriate CCDs are recalled in a timely manner; • resolution of any potential changes to the AESO's revised proposal following the outcome of their internal review of the implications to the ISO tariff; • confirmation that there will be <u>no</u> changes to the incremental connection costs for DCGs, DCGs will continue to pay their incremental connection costs;

³ Lionstooth has expressed concerns with these principles throughout these Technical Sessions, most notably in our Comment Matrix response to Session 1 (www.aeso.ca/assets/Uploads/Lionstooth-Energy-comments-matrix.pdf), the Proposal Evaluation response to Session 2A (www.aeso.ca/assets/Uploads/Lionstooth-Stakeholder-Proposal-Evaluation-Session-2A-Redacted.pdf), and our additional comments on areas of disparity included in response to Session 2B (www.aeso.ca/assets/Uploads/Technical-Session-2B-LTE-Comments.pdf).

		<ul style="list-style-type: none"> • confirmation that interconnection costs for DCGs will be allocated at a single point in time; • commitment that future unfettered risk will no longer exist in this regard; and, • commitment that the revised proposal will focus on the issues at hand and not include the AESO's views on "incremental plus" concepts (which have the potential to introduce regulatory delay into the AESO's revised proposal proceeding).
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>Lionstooth suggests that if there are any material comments following the submission of the Session 3 Comment Matrices, the AESO should consider holding a fourth Technical Session to address any issues outside of the AUC process to ensure an efficient decision on the AESO's revised proposal.</p> <p>As a stakeholder that presented a proposal during these Technical Sessions, Lionstooth offers our support to the AESO for the development of their update report to the Commission.</p>
5.	<p>Additional comments</p>	<p>As the AESO noted in the Session 3 presentation, our industry is experiencing transformational change. It is customers that are driving the proliferation of DCG, with these loads and generators all being customers of the AESO. The AESO should continue to be responsive to, and supportive of, all of its customers.</p> <p>Lionstooth is of the view that we can no longer proceed with first making changes and then evaluating impacts and that our market must have a measured and thoughtful pace to change. All generation developers in the province require clarity and consistency of regulatory process and tariff design. The substantial amount of change that has been introduced over the last 5 years has driven investment in generation away from Alberta, at a time when we most need it as we look to transition off coal.</p> <p>This process, as well as the Distribution System Inquiry, has demonstrated that DCG GFOs and developers have a strong voice and a clear message to share with the market. Lionstooth has appreciated the opportunity to participate in these Technical Sessions and looks forward to participation in future DCG related matters.</p>

Thank you for your input. Please email your comments to: tariffdesign@aeso.ca.