

Stakeholder Comment Matrix – March 25, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 5



Period of Comment: March 25, 2021 through April 15, 2021	Contact: Peter Burgess
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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 **April 15, 2021**.

The AESO is seeking comments from Stakeholders on Session 5. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	Please comment on Session 5 hosted on March 25, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The session was valuable to gain an understanding of the rationale the AESO has developed for the proposed tariff design.
2.	Please comment on Technical Information Session II hosted on March 31, 2021 (if you attended). Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The session was valuable. The Q&A was particularly helpful.
3.	Are you supportive of the AESO's preferred rate design? Why or why not?	<p>Not supportive of adopting the preferred rate design at this time.</p> <p>The overall outcome of the analysis, whereby high load factor/large load sites will be paying more than under the current tariff, appears to be the opposite direction the province needs to adopt to retain and attract customers to the transmission system.</p> <p>We would prefer to review the AESO's responses to the AUC information requests (letter dated April 7, 2021) prior to making further comments on the specific details of the preferred rate design.</p>

	Questions	Stakeholder Comments
4.	<p>Do you believe the AESO's preferred rate design meets the AESO's rate design objectives? Why or why not?</p> <ul style="list-style-type: none"> a) <u>Reflect Cost Responsibility</u> (Cost recovery is based on cost causation, reflecting how transmission customers use the existing grid*) b) <u>Efficient Price Signals</u> (Price signal to alter behavior to avoid future transmission build) c) <u>Minimal Disruption</u> (Customers that have responded to the 12-CP price signal and invested to reduce transmission costs are minimally disrupted) d) <u>Simplicity</u> (Simplicity and clear price signals while achieving design objectives) e) <u>Innovation and Flexibility</u> (ISO tariff provides optionality for transmission customers to innovate while not pushing costs to other customers) <p>*AUC Decision 22942-D02-2019 **Proposed rate design must fit within current legislation</p>	
5.	<p>Are there considerations that the AESO should include, exclude and/or modify in its preferred rate design to better achieve the AESO's rate design objectives? Please specify and include your rationale.</p>	
6.	<p>Please describe any areas in which you are aligned with the AESO's preferred rate design.</p>	
7.	<p>Are the assumptions the AESO used for the rate impact reasonable? Is there additional information that would help improve your understanding of rate impacts?</p>	

8.	<p>Are you supportive of the AESO's consideration of modernizing DOS, including its suitability for an energy storage charging capacity? Why or why not?</p> <p>And if so, provide your comments on the consideration of the AESO's DOS eligibility requirements, including for energy storage.</p>	
9.	<p>Please describe what components of the current DOS implementation (i.e., rate, terms, and conditions) limit the use of excess transmission capacity (i.e., capacity that would not otherwise be used under Rate DTS).</p> <p>How might those components of DOS be improved?</p>	
10	<p>Do you have any comments on the AESO's targeted engagement approach for mitigation discussions?</p>	
11	<p>Are there further considerations that the AESO should include, exclude and/or modify in the mitigation option starting principles? Please specify and include your rationale.</p> <ol style="list-style-type: none"> 1. <u>Limit the rate impact for customers</u>: Mitigate rate impact to under 10 per cent increase to a party's transmission bill for initial stage of transition 2. <u>Adapt with design and rates</u>: Ensure options are adaptable to changes to the proposed design and forecast rates 3. <u>Consistent application</u>: Mitigation options can be applied consistently across all impacted loads and not be individually defined 4. <u>Administrative simplicity</u>: Feasible to implement with current tools and systems 5. <u>Mutually acceptable</u>: Account for feedback from broad stakeholder group 	

12	Based on the AESO's mitigation options assessment, are there further considerations that the AESO needs to include, exclude and/or modify (e.g., temporary versus permanent)? Please specify and include your rationale.	
13	Are you in favour of some type of mitigation? Why or why not? If you are in favour of some type of mitigation, how would you assess whether a proposed mitigation approach is acceptable?	
14	In your view, should the AESO provide participants with more flexibility to adjust contract capacity, specifically by way of a contract reset period with the implementation of new rates and/or a PILON waiver if the contract level has not changed in the previous five years?	Most participants will be supportive of the proposal to reset contract volumes by way of a PILON waiver.
15	Do you have any additional implementation considerations the AESO should consider?	<p>Regarding the contract reset period in 14 above:</p> <p>In the case of a contract reduction, the payment of the unrecovered capital investment would still apply. To encourage the contract reset, a method to transition these payments over a three-to-five-year period would be helpful to mitigate the impact of these payment obligations.</p> <p>Many DTS contracts are staged. The tariff would need to clarify how these types of contracts qualify for the reset with a PILON waiver. Contract volumes that have been in place for over five years within a staged contract should be treated on the same basis as non-staged contracts.</p>
16	Do you have additional clarifying questions that need to be answered to support your understanding?	
17	Additional comments	

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