Bulk and Regional Tariff Design Technical Information Session II hosted on March 31, 2021

I. Purpose and objectives of the session

The purpose of this technical information session is to help ratepayers understand the impacts of the preferred rate design presented by the AESO on March 25, 2021 on their invoices.

The session objectives include:

- Review how to use the Bill Impact Tool in order to:
  - Enable stakeholders to evaluate the impacts of the rate design and mitigation on their sites; and
  - Enable stakeholders to assess the materiality of changes to their invoices
- Respond to stakeholder questions

II. Session agenda

Time	Agenda Item	Presenter
9:00 – 9:10	Welcome, introduction, purpose, and session objectives	AESO / Stack'd
9:10 – 9:45	Walk through the Bill Impact Tool, illustrating • How to evaluate the impacts of the rate design and mitigation on their sites; • How to assess the materiality of changes to their invoices; and • How to analyze the impact of future changes to site load	AESO
9:45 – 10:45	Q&A	All
10:45 – 11:00	Break	
11:00 – 11:50	Q&A	All
11:50 – 12:00	Session close-out and next steps	AESO

Alberta Electric System Operator
Calgary Place, 2500, 330-5th Avenue SW Calgary, AB T2P 0L4
Phone: 403-539-2450 | Fax: 403-539-2949
www.aeso.ca
@theaeso

III. Attendees

Company
Acestes Power
Alberta Direct Connect Consumers Association (“ADC”)
Alberta Electric System Operator (“AESO”)
Alberta Newsprint Company
Alberta Utilities Commission (“AUC”)
AltaLink Management Ltd.
ASCENT Energy Partners Ltd.
ATCO Electric Ltd.
BECL and Associates Ltd.
Best Consulting Solutions Inc.
BluEarth Renewables Inc.
Capital Power
Cenovus Energy
Chapman Ventures Inc.
Chymko Consulting on behalf of Red Deer & Lethbridge
City of Lethbridge
City of Medicine Hat
Consumers Coalition of Alberta (“CCA”)
CNRL
Customized Energy Solutions
DePal Consulting Limited
Direct Energy
Dow Chemical Canada ULC
EDF Renewables
Enbridge Pipelines Inc.
ENMAX
EnPowered Inc.
EPCOR
ERCO Worldwide
FortisAlberta Inc.
Heartland Generation Ltd.
Imperial Oil

Company
Industrial Power Consumers Association of Alberta (“IPCAA”)
Inter Pipeline Ltd.
Lafarge Canada Inc.
Lionstooth Energy
Matt Ayres Consulting
Millar Western Forest Products
NextEra Insights Inc.
NRGCS
Power Advisory LLC
Rodan Energy Solutions
Signalta Resources Limited
Solas Energy Consulting Inc.
Suncor Energy
TC Energy
The Office of the Utilities Consumer Advocate (“UCA”)
Trans Mountain Pipeline LP
TransAlta Corporation
URICA Asset Optimization
Vanderwell Contractors (1971) Ltd.
VIDYA Knowledge Systems / CWSAA
Voltus Energy Canada Ltd.
Weyerhaeuser
Wolf Midstream Inc.
Stack’d Consulting, Inc.
Attendees by phone
14033865483
14033897720
14033901368

IV. Session highlights

Captured below are highlights of the questions posed by stakeholders during the session. The AESO responded to stakeholder questions during the session. For a detailed review of the session please refer to the session webinar recording posted at www.aeso.ca.

- *Suncor:* I believe some percentages got mixed up on Slide 16 (Test year rate calculations methodology). Also, could we potentially get these percentages with one or more decimal place(s) in case you are updating the slide?
- *Dow Chemical:* Coincident metered demand (CMD), max highest metered demand (HMD), actual HMD are the max in the year?
- *AUC:* On Slide 16 for the 2019 actual billing determinants – is FTS (Fort Nelson Transmission Service) included in this?
- *CNRL:* On Slide 21 (Site Data Input tab) it mentions the tool will not work for assessing the bill impact for distribution facility owner (DFO) customers. Should customers reach out to the DFOs individually to get an idea of the impact? Or will a way to estimate this be coming in the future?
- *Voltus Energy:* The presentation last Thursday indicated that the five-year average coincident peak (CP) design will be "phased in". What does that mean? Example just shown included load profile from 2016-2020. Will CP from historical years from before the new design is implemented be included in that average for the first few years?
- *Alberta Newsprint:* It seems "Annual Average Pool Price" does not change with different years.
- *Solas Energy:* Where is the test data located? Can you provide sample data?
- *Power Advisory:* For the five-year rolling average, how would the early months in the year work? How will the DFOs treat this when they're dealing with distribution-connected generation (DCG) credits? Will the credits be arbitrarily reduced by one-fifth by looking at the average?
- *Alberta Newsprint:* You never pay more than 20 per cent of a year in a month – that's how the five-year average works. The problem is with the beginning years because there is no history of a five-year average. When you don't have a history, the average rate of year one is higher than the average for year five.
- *IPCAA:* The 12 CMD for 2019 is 157,948.9 MW is that based on 15 minutes? Based on hourly, the number would be lower so the 12 CP charge would be higher.
- *ADC:* Have you taken note of how many points of delivery are over-contracted and where there are opportunities to lower contract capacity for customers?
- *ADC:* Would the AESO look at mitigation for customers that were approaching 10 per cent, but based on the historical average did not meet the threshold?
- *ADC:* If you were using the 2021 forecasted billing determinants, how would the rate be different? It would adjust the rates of today's tariff, so you may see a bigger bill impact. We would like to see that so we can also see that impact on the bill. We not only want to do a look-back, but we also want to see a forecast.
- *Enbridge:* If the billing capacity is reduced with a Payment in Lieu of Notice (PILON), the change will not appear until year five, am I correct?

- *CCA:* Could the AESO provide the five-year data by point-of-delivery (POD) for each of the DFOs to enable assessment of the impact in tariff structure by DFO? It would be helpful if the information on DFOs could be provided ahead of the filing and as part of the bill impact.
- *ASCENT Energy:* May I please ask - why are the Test Year 2019 Tariff rates different from the actual 2019 Tariff rates?
- *Power Advisory:* I echo ADC's request. The AESO has historically provided a 20-year forecast of rates. It would be very helpful to see a 20-year forecast under this new methodology. At the very least, I would hope to see this released based on the final rate design that the AESO files with the Commission. We understand that forecasts are subject to change, but it is still very helpful to see an expectation of how the rates will change over time.
- *ERCO:* Can the notice be rescinded within the five years?
- *Solas Energy:* For new applications (such as energy storage) with no history, does the five-year change occur? Or do they go directly to the first application?
- *ADC:* If a site built onsite generation in year two and no longer will be operating during peak demand, how does that change the five-year allocation for the PILON? Is it waived?
- *DePal Consulting:* Is your calculation on the "Adjust Load Profile" tab based upon reducing the MW hours? If this was a customer that was going to put in a generator, then they would probably get a bigger rate impact because they would limit their coincident peak charge as well – would they see a much greater decrease to their bill? Do you think this deals appropriately with uneconomic bypass?
- *IPCAA:* Most of the load goes through distribution companies and we've been trying to create calculators for these companies. Maybe there is some way the DFO and the AESO can work together to give a range so customers can sum up all of their sites and understand if their impact is positive or negative.
- *Enbridge:* Who can do the phase in for the rolling average and who can't do the phase in?
- *TC Energy:* For the current five-year 12-CP, you have a coincident peak at a certain hour in a certain month and your load contributes to that hour. The percentage that you contributed defines the percentage of the overall cost you have to pay. In the new system, what are we actually averaging? What I'd like to understand is how the new system actually changes from the current system – is it going from actuals to averages? Now that we're averaging, I'm not sure what I'm targeting – am I still targeting my contribution during the peak hours or am I targeting something else?
- *URICA:* We need an example – 95 per cent of these questions are because there's no example. To me, it's just using an average rather than using a single point in time.
- *Solas Energy:* Does the averaging mean that you could go extreme sometimes and very conservative sometimes and average out to be fine?
- *Enpowered:* If a customer decides to lower their coincident metered demand, they have had the historical data for one to two years. The charge they are going to be seeing is going to be less impactful because they will still have to respond to the first two years where they didn't respond – is that correct?
- *Customized Energy Solutions:* Is the 12-CP becoming a 60-CP and taking five years to get there? Is that an appropriate way to think of it? If that's the case, how would it look for a storage

customer that is looking to zero out 12-CP in year five, but didn't have onsite generation for the first four years?

- *Enbridge:* For companies like Enbridge, we are focusing on ESG (environmental social governance) looking into solar panels, wind power, etc. onsite. If I'm putting a solar panel in and zeroing out the grid, because of the five-year average, the positive impact will be significantly reduced. This could prevent renewable energy development.
- *Solas Energy:* Can you provide examples of those where the future demand decreases, and one where the future demand increases? One more for a new generation. I think this would help.