

Tariff Design for Capacity Market and Bulk and Regional Transmission Cost Allocation – Industry Update (March 13, 2019)

Period of Comment:	March 14, 2019	through	April 10, 2019	Contact:	Dean Luciuk
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Please provide comments relating to the topics listed below in the corresponding box. For convenience, references to slides from the March 13 [Industry Update](#) where each topic was discussed are included in the table below. Please include any views about whether the content presented sufficiently addressed the topic, and provide any proposed alternative or additional approaches that should be considered.

Slides	Topic	Stakeholder comments
Tariff Design Consultation Process		
5-11	AESO tariff design consultation approach, scope, and process.	Positive approach, please maintain current level of stakeholder engagement.
Capacity Market Cost Allocation Tariff Development Update		
15-20	Requirements of <i>Capacity Market Regulation</i>	
21-22	Resource adequacy model and unserved energy	
22	Distribution of expected unserved energy throughout the obligation period	
23-27	Bookend scenario analysis	Narrow peak is effectively the more realistic for all participants including the AESO to manage and administer
25	Observations on bookend analysis results	
26	Objectives for cost allocation rate design	
28-30	Development of 400-hr on-peak time block	400-hour block suggested as maximum block size. 400 hours seems a reasonable trade off based on the analysis conducted to date

Slides	Topic	Stakeholder comments
31-32	Considerations for weights of time blocks	
33-34	Potential rate ranges	
34	Appropriate range of weight ratios to consider	
35-38	Additional considerations for rates	
39-43	Terms and conditions considerations	
40	Regulation does not permit penalties or incentives	
42	“Gross up” of POD metered volumes to adjust for distributed generation	Dx connected generators may not choose to participate in the capacity market but still offer system value to both DFO / Tx / AESO. Dx connected generators should not be simply netted or “Grossed Up”. Dx connected generator who are not participating in the capacity market in a specific period and have availability to generate DFO savings based on availability and generation in decided time blocks should receive credit for the system benefit.
43	Preferred approach for deferral account true-up	
44	Allocation of capacity market costs to transmission losses	
45	Capacity market cost allocation remaining work	
Update on Bulk and Regional Transmission Cost Allocation		
48-51	Bulk and regional transmission cost allocation current work, future work, and next steps	
Additional Comments		
—	Please add any additional comments related to tariff design for allocating capacity market and bulk and regional transmission costs should be considered.	