

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:	Gerald Zurek
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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.	EDTI generally supports the consultation approach, scope and process.
Capacity Market Cost Allocation Tariff Development Update		
15-20	Requirements of <i>Capacity Market Regulation</i>	EDTI supports the use of a single per megawatt hour rate for the time blocks to recover costs of capacity from load customers. EDTI supports a simple rate design, for example the use of fewer time blocks. Increasing the number of time blocks and/or complexity of the rates may increase implementation time and costs as modifications to billing systems and IT infrastructure may be more complex. A complex capacity market rate may also be difficult for end use customers to understand.
21-22	Resource adequacy model and unserved energy	EDTI has no comments with regard to the resource adequacy model.

22	Distribution of expected unserved energy throughout the obligation period	EDTI generally accepts the AESO's approach.
23-27	Bookend scenario analysis	EDTI has no comments.
25	Observations on bookend analysis results	EDTI has no comments.
26	Objectives for cost allocation rate design	EDTI generally accepts the AESO's approach. EDTI notes that for customers with cumulative meters, there is limited ability to send a price signal with respect to the capacity market as the capacity market rate for these customers will be a single \$/kWh rate applied to monthly energy consumption. Accordingly, residential, and small to medium sized business will have a limited ability to respond to price signals and will therefore be unable to avoid capacity market costs.
28-30	Development of 400-hr on-peak time block	EDTI generally accepts the AESO's approach. See also comments on slide 26.
31-32	Considerations for weights of time blocks	EDTI generally accepts the AESO's approach. See also comments on slide 26.
33-34	Potential rate ranges	EDTI generally accepts the AESO's approach. See also comments on slide 26.
34	Appropriate range of weight ratios to consider	EDTI generally accepts the AESO's approach. See also comments on slide 26.
35-38	Additional considerations for rates	See comments on slide 26.
39-43	Terms and conditions considerations	EDTI has no comments.
40	Regulation does not permit penalties or incentives	EDTI generally accepts the AESO's approach.
42	"Gross up" of POD metered volumes to adjust for distributed generation	EDTI generally accepts the AESO's approach.
43	Preferred approach for deferral account true-up	EDTI generally accepts the AESO's approach.
44	Allocation of capacity market costs to transmission losses	EDTI generally accepts the AESO's approach.
45	Capacity market cost allocation remaining work	EDTI supports the AESO's proposed capacity market cost allocation tariff methodology filing date of June 2019. EDTI anticipates requiring up to 18 months, or possibly more depending on the complexity of the AESO's final capacity market rate, for its own rate design, approval of EDTI's rate by the AUC, billing system modifications, testing, training and coordination with Retailers to implement the capacity market rate.

Update on Bulk and Regional Transmission Cost Allocation

48-51	Bulk and regional transmission cost allocation current work, future work, and next steps	EDTI support the AESO's proposal to hire a consultant to assist with a jurisdictional tariff review.
Additional Comments		
—	Please add any additional comments related to tariff design for allocating capacity market and bulk and regional transmission costs should be considered.	EDTI and the other DFOs must be afforded the time necessary to implement changes to their billing systems and procedures resulting from the introduction of the capacity market rate and changes to the bulk and regional transmission rates.