Stakeholder Proposal Evaluation – May 4, 2020

Participant-Related Costs for DFOs (Substation Fraction) and DFO Cost Flow-Through Technical Session 2A

Period of Comment:	May 4, 2020 through May 20, 2020	**Contact:**	[redacted]
Comments From:	ENMAX Power Corporation	**Phone:**	[redacted]
Date:	2020/05/20	**Email**:	[redacted]

Document purpose

The purpose of this document is to provide a structured and consistent guide to workshop participants to evaluate each of the proposals.

Instructions

1. Please fill out the section above as indicated.
2. Please complete an evaluation on each of the proposals using the tables below (Tables 2-7). Please provide your reason(s) as to why you think the proposal does/does not meet each of the evaluation criteria.
3. Once you have completed an evaluation on each of the proposals, please choose your preferred proposal with an explanation as to why in Table 1: Overall evaluation.
4. **Please submit one completed evaluation per organization.**
5. Email your completed evaluation to tariffdesign@aeso.ca by **May 20, 2020**.

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Table 1: Overall evaluation

Questions	Stakeholder Evaluation
1. Which proposal did you prefer? Please explain why.	ENMAX has been unable to fully assess the impacts of the different proposals among its various business units within the time allotted for comments. Consequently, EPC is unable to provide a rating for support of the different proposals at this time.
2. What are the challenges or unresolved questions with your preferred proposal?	Not applicable
3. What aspects from the other proposals would you like to see applied to your preferred proposal?	Not applicable
4. Additional comments	To engage in meaningful discussion, more time is needed between stakeholder sessions before comments are due. It is hard to assess the impacts to load and DCG customers when most of the proposals still require a cost allocation exercise to be undertaken. Having an example of a DCG customer connected to an existing POD complete with theoretical cost information would reduce the burden associated with evaluating and comparing the various proposals.

Table 2: Evaluation of Proposal: Canadian Solar Solutions Inc.

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	ENMAX has been unable to fully assess the impacts of the different proposals among its various business units within the time allotted for comments. Consequently, EPC is unable to provide a rating for support of the different proposals at this time.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	The proposal appears to favour DCG customers.
3. Is the proposal feasible?	Yes, it appears to be feasible.
4. Which stakeholders are best served by this proposal? Why?	DCG customers.
5. Which stakeholders are least served by this proposal? Why?	Load customers.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	The proposal suggests that the timing of projects matters and provided four example scenarios for determining what costs a DCG should have to pay. This time element seems counter to the fairness principle.
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of "Ease of understanding and implementation (simplicity)"? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	The proposal aligns the Transmission Development Policy and subsequent Transmission Regulation.
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	Additional clarity is required for Scenario 3 and Scenario 4 in terms of what costs exactly would be covered by load and by the DCG.

Questions	Stakeholder Evaluation
9. Additional comments	None.

Table 3: Evaluation of Proposal: DCG Consortium

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	ENMAX has been unable to fully assess the impacts of the different proposals among its various business units within the time allotted for comments. Consequently, EPC is unable to provide a rating for support of the different proposals at this time.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Appears balanced between load and DCGs.
3. Is the proposal feasible?	Yes, it appears to be feasible.
4. Which stakeholders are best served by this proposal? Why?	Appears balanced between load and DCGs.
5. Which stakeholders are least served by this proposal? Why?	DFOs will be required to provide additional information to implement this proposal and to calculate estimated incremental costs for customers.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	The objectives/principles outlined in the proposal seem fair and reasonable.
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	The proposal appears to require a lot of upfront work to determine the appropriate $/MW charge, but once calculated will lead to ease of understanding for future DCG customers. The proposal also eliminates investor uncertainty as investors will require the TFO incremental connection costs and 20 years of O&M costs from the DFO.
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	Slide 40 stated that it is necessary to recalculate all CCDs that are at a DFO POD. EPC would like greater clarity on this.

Questions	Stakeholder Evaluation
9. Additional comments	If additional protection or SCADA was needed, EPC assumes that this would get merged into the “incremental costs” being allocated to DCG customers.

Table 4: Evaluation of Proposal: FortisAlberta Inc.

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	ENMAX has been unable to fully assess the impacts of the different proposals among its various business units within the time allotted for comments. Consequently, EPC is unable to provide a rating for support of the different proposals at this time.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Appears balanced between load and DCGs.
3. Is the proposal feasible?	Yes, although it appears that a significant amount of upfront work will be required from the AESO and TFOs.
4. Which stakeholders are best served by this proposal? Why?	Appears balanced between load and DCGs.
5. Which stakeholders are least served by this proposal? Why?	AESO, TFOs, and DFOs.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	The objectives/principles outlined in the proposal seem fair and reasonable.
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	Appears to be both the most accurate methodology for allocating costs but also appears to require the most substantive changes from the current practice and will require the most upfront work by DFOs, TFOs, and the AESO. It will be important to assess whether the incremental costs will be offset by potential benefits.
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	The proposed process steps include a number of items to be determined by DFOs, TFOs, and the AESO prior to calculating the supply-related cost allocations for individual local transmission system infrastructure components. It is not clear if

Questions	Stakeholder Evaluation
	a standardized approach would need to be developed across DFOs/TFOs for forecasting reverse power flows, calculating historical load factors, and determining averages used in the Average Supply-related Interconnection Contribution (“ASIC”) calculation.
9. Additional comments	EPC agrees that the approach will require a detailed transition plan prior to implementation and agrees that an information document would be valuable.

Table 5: Evaluation of Proposal: Lionstooth Energy

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	ENMAX has been unable to fully assess the impacts of the different proposals among its various business units within the time allotted for comments. Consequently, EPC is unable to provide a rating for support of the different proposals at this time.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	The solution appears to favour DCG in its assessment, although the proposal makes the argument that load should pay for transmission as wires charges allocated to generators are ultimately passed onto customers through higher energy prices.
3. Is the proposal feasible?	Yes, it appears to be feasible.
4. Which stakeholders are best served by this proposal? Why?	DCG customers.
5. Which stakeholders are least served by this proposal? Why?	Load customers.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	The objectives/principles outlined in the proposal seem fair and reasonable.
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of "Ease of understanding and implementation (simplicity)"? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	The proposal aligns with the Transmission Development Policy and subsequent Transmission Regulation.
8. What are the unresolved questions or challenges you	The proposal suggests that a DCG customer should only be charged for STS amounts for energy pushed onto the transmission system. EPC would like to

Questions	Stakeholder Evaluation
would want to see answered in this proposal?	know how this approach would reconcile with the STS contract held by the DFO on behalf of the DCG customer.
9. Additional comments	EPC disagrees that a right-sized DCG does not use the substation and associated radial line.

Table 6: Evaluation of Proposal: Solarkrafte

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	ENMAX has been unable to fully assess the impacts of the different proposals among its various business units within the time allotted for comments. Consequently, EPC is unable to provide a rating for support of the different proposals at this time.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	The proposal appears to favour DCG customers.
3. Is the proposal feasible?	Yes, it appears to be feasible.
4. Which stakeholders are best served by this proposal? Why?	DCG customers.
5. Which stakeholders are least served by this proposal? Why?	Load customers.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	The objectives/principles outlined in the proposal seem fair and reasonable.
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	This proposal was the most simplistic of the proposals provided simply stating that the AESO needs to determine the non-incremental costs to be system-related rather than participant related.
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	EPC is interested to know how this proposal would impact already existing DCG customers.

Questions	Stakeholder Evaluation
9. Additional comments	None.

Table 7: Evaluation of Proposal: URICA

Questions	Stakeholder Evaluation
1. Please rate your support of this proposal on a 1-10 basis, with 10 being completely supportive and 1 being not at all supportive. Please provide your rationale.	ENMAX has been unable to fully assess the impacts of the different proposals among its various business units within the time allotted for comments. Consequently, EPC is unable to provide a rating for support of the different proposals at this time.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Appears balanced between loads and DCG.
3. Is the proposal feasible?	Yes, it appears to be feasible.
4. Which stakeholders are best served by this proposal? Why?	Appears balanced between load and DCGs.
5. Which stakeholders are least served by this proposal? Why?	Implementing this proposal will require DFOs to provide access to feeder details to the DCG customers in order to confirm accuracy of STS values.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	The principles outlined in the proposal seem fair and reasonable.
7. Does the proposal align with the consolidated principles (see Appendix A) presented in Technical Session 1 as well as the additional principle of “Ease of understanding and implementation (simplicity)”? This additional principle was added based on stakeholder feedback. If not, are you supportive of the principles that are used in the development of the proposal?	The proposal suggests that all principles are met leading to rational decision making as it: - Prevents allocation of costs to DCG that they did not cause or exacerbate. - Prevent allocation of future costs to DCG that they are not responsible for. - Create visibility and transparency of expecting costs - Aligns with existing Transmission Regulation.
8. What are the unresolved questions or challenges you	The proposal suggests that 50% of the costs of transformers and voltage breakers

Questions	Stakeholder Evaluation
would want to see answered in this proposal?	should be allocated to generation yet also states that the contribution towards the costs of shared facilities will be assessed based on STS contract. EPC would like greater clarity on how assessing costs based on the STS contract would work. The proposal suggests that a DCG customer should only be charged for STS amounts for energy pushed onto the transmission system. EPC would like to know how this approach would reconcile with the STS contract held by the DFO on behalf of the DCG customer.
9. Additional comments	EPC would like to better understand how O&M costs will be factored into this proposal.

Appendix A

Principle	Description
Overarching	Tariff design and implementation facilities a fair, efficient and openly competitive market (FEOC) • Fosters competition and encourages new market entry • Efficiency • Avoidance of undue discrimination • Fairness
Principle 1	Parity between transmission interconnection costs calculation for transmission connected customers and distribution connected customers while enabling effective price signals to ensure to optimal use of existing distribution and transmission facilities • Fairness • Effective price signals
Principle 2	Market participants should be responsible for an appropriate share of the costs of transmission facilities that are required to provide them with access to the transmission system (may include paying a contribution towards facilities paid for by other customers and refund to the customer that paid) • Fairness • Cost Causation
Principle 3	DCG participants should have cost certainty when making their final investment decision (FID) • Certainty of future costs • Stability
Principle 4	DFOs should be provided with reasonable certainty re: cost treatment/recovery • Certainty of future costs • Stability
Principle 5 (added)	Ease of understanding and implementation • Simplicity • Stability