

# Stakeholder Proposal Evaluation – May 4, 2020

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



<b>Period of Comment:</b> May 4, 2020 through May 20, 2020	<b>Contact:</b> [REDACTED]
<b>Comments From:</b> FortisAlberta	<b>Phone:</b> [REDACTED]
<b>Date:</b> 2020/05/20	<b>Email:</b> [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](mailto:tariffdesign@aeso.ca) by **May 20, 2020**.

**Table 1: Overall evaluation**

Questions	Stakeholder Evaluation
<p>1. Which proposal did you prefer? Please explain why.</p>	<p>FortisAlberta does not have a specific proposal preference, since all of the proposals charge interconnection costs, whether incremental and/or shared, to DCG at the time of DCG grid entry. By doing so all of the proposals address the primary issues identified with the AESO's current substation fraction approach.</p> <p>Additionally, all of the proposals decouple DTS from STS and recommend that the cost are flowed-through by the DFOs at the time of delivery of the interconnection quote package to the DCG applicant/customer.</p>
<p>2. What are the challenges or unresolved questions with your preferred proposal?</p>	<p>Group 1 Presenters (DCG Consortium, URICA and FortisAlberta Inc.): There will be a challenge to determining proper shared costs based on a forecasted DCG output profile. In addition, the AESO will need to determine: 1) the upfront average cost of transmission facilities included in the DCG contribution costing; 2) a Tariff Rider mechanism to keep load customers whole at the DFO POD; and 3) a transitional mechanism.</p> <p>Group 2 Presenters (Lionstooth Energy, Solar Krafte Utilities and Canadian Solar Solutions Inc.): Is the AESO willing to classify all existing shared costs as system related costs and only charge DCG for incremental costs? Does this achieve parity with TCG?</p>
<p>3. What aspects from the other proposals would you like to see applied to your preferred proposal?</p>	<p>Refer to the response to question 1.</p>
<p>4. Additional comments</p>	<p>None.</p>

**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.	9 - This proposal enables the AESO to achieve their principles of this initiative and is administratively simple.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Yes
3. Is the proposal feasible?	Yes
4. Which stakeholders are best served by this proposal? Why?	All
5. Which stakeholders are least served by this proposal? Why?	None
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	Yes
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?	Yes
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	None
9. Additional comments	None

Table 3: Evaluation of Proposal: DCG Consortium

Questions	Stakeholder Evaluation
<p>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.</p>	<p>9 - This proposal introduces a compromise that retains a contribution toward existing shared system costs that currently exists under the substation fraction approach. However, it does not keep load customers whole with respect to the DTS POD specific tariff rider.</p>
<p>2. Is the proposal an unbiased solution and evenly weighted in its analysis?</p>	<p>Yes</p>
<p>3. Is the proposal feasible?</p>	<p>Yes</p>
<p>4. Which stakeholders are best served by this proposal? Why?</p>	<p>All, if an AESO Tariff rider is included.</p>
<p>5. Which stakeholders are least served by this proposal? Why?</p>	<p>None, if an AESO Tariff rider is included.</p>
<p>6. Do the objectives/principles outlined in the proposal seem fair and reasonable?</p>	<p>Yes</p>
<p>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.</p> <p>If not, are you supportive of the principles that are used in the development of the proposal?</p>	<p>Yes</p>
<p>8. What are the unresolved questions or challenges you would want to see answered in this proposal?</p>	<p>The challenge will be for the AESO to develop the upfront DCG contribution inputs and outputs of a costing mechanism that is agreeable by all stakeholders.</p>

Questions	Stakeholder Evaluation
9. Additional comments	None

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.	10 - This proposal introduces a compromise that retains a contribution toward existing shared system costs that currently exists under the substation fraction approach. FortisAlberta rated itself a 10 as it keeps load customers whole with respect to the DTS POD specific tariff rider as proposed.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Yes
3. Is the proposal feasible?	Yes
4. Which stakeholders are best served by this proposal? Why?	All
5. Which stakeholders are least served by this proposal? Why?	None
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	Yes
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?	Yes
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	The challenge will be for the AESO to develop the upfront DCG contribution inputs and outputs of a costing mechanism that is agreeable by all stakeholders.

Questions	Stakeholder Evaluation
9. Additional comments	None

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.	9 - This proposal enables the AESO to achieve their principles of this initiative and is administratively simple.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Yes
3. Is the proposal feasible?	Yes
4. Which stakeholders are best served by this proposal? Why?	All
5. Which stakeholders are least served by this proposal? Why?	None
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	Yes
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?	Yes
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	None
9. Additional comments	None



Table 6: Evaluation of Proposal: Solar Krafte Utilities

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.	9 - This proposal enables the AESO to achieve their principles of this initiative and is administratively simple.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Yes
3. Is the proposal feasible?	Yes
4. Which stakeholders are best served by this proposal? Why?	All
5. Which stakeholders are least served by this proposal? Why?	None
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	Yes
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?	Yes
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	A clarification is required in the AESO tariff regarding the AESO practice of using discretion in regard to DCG contribution.
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.	9 - This proposal introduces a compromise that retains a contribution toward existing shared system costs that currently exists under the substation fraction approach. However it does not keep load customers whole with respect to the DTS POD specific tariff rider.
2. Is the proposal an unbiased solution and evenly weighted in its analysis?	Yes
3. Is the proposal feasible?	Yes
4. Which stakeholders are best served by this proposal? Why?	All, if an AESO Tariff rider is included.
5. Which stakeholders are least served by this proposal? Why?	None, if an AESO Tariff rider is included.
6. Do the objectives/principles outlined in the proposal seem fair and reasonable?	Yes
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?	Yes
8. What are the unresolved questions or challenges you would want to see answered in this proposal?	The challenge will be for the AESO to develop the upfront DCG contribution inputs and outputs of a costing mechanism that is agreeable by all stakeholders.

Questions	Stakeholder Evaluation
9. Additional comments	None

Appendix A

Principle	Description
<b>Overarching</b>	<p>Tariff design and implementation facilitates a fair, efficient and openly competitive market (FEOC)</p> <ul style="list-style-type: none"> <li>• Fosters competition and encourages new market entry</li> <li>• Efficiency</li> <li>• Avoidance of undue discrimination</li> <li>• Fairness</li> </ul>
<b>Principle 1</b>	<p>Parity between transmission interconnection costs calculation for transmission connected customers and distribution connected customers while enabling effective price signals to ensure optimal use of existing distribution and transmission facilities</p> <ul style="list-style-type: none"> <li>• Fairness</li> <li>• Effective price signals</li> </ul>
<b>Principle 2</b>	<p>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)</p> <ul style="list-style-type: none"> <li>• Fairness</li> <li>• Cost Causation</li> </ul>
<b>Principle 3</b>	<p>DCG participants should have cost certainty when making their final investment decision (FID)</p> <ul style="list-style-type: none"> <li>• Certainty of future costs</li> <li>• Stability</li> </ul>
<b>Principle 4</b>	<p>DFOs should be provided with reasonable certainty re: cost treatment/recovery</p> <ul style="list-style-type: none"> <li>• Certainty of future costs</li> <li>• Stability</li> </ul>
<b>Principle 5 (added)</b>	<p>Ease of understanding and implementation</p> <ul style="list-style-type: none"> <li>• Simplicity</li> <li>• Stability</li> </ul>

