



Participant-Related Costs for DFOs and DFO Cost Flow Through - Technical Session 1

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First 2 utility-scale Solar Tracker in Alberta under construction

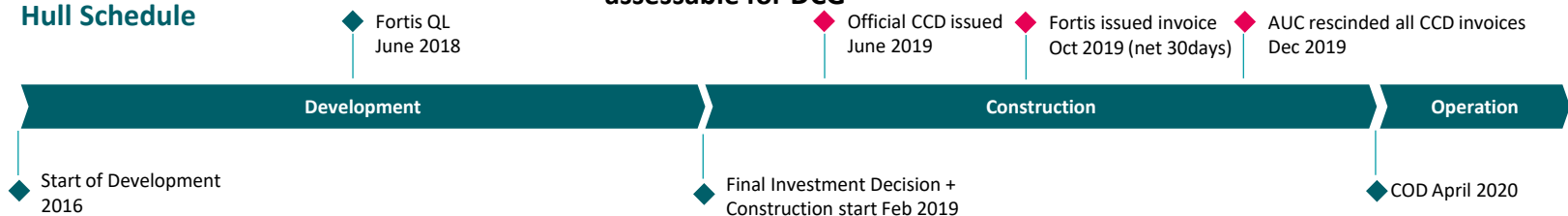


- innogy with its inhouse EPC Belectric is commissioning right now two large scale Solar Farms near the Town of Vauxhall with 57 MWp in total
- both **subsidy free** assets are designed to track the position of the sun and will produce renewable power and carbon offsets for 30 years+, revenues partly hedged via corporate PPA
- the Vauxhall Solar Farm achieved ISD Feb 19th 2020, Hull Solar Farm ISD targeted for April 2020

The Hull case:

- **one year** after the Quote Letter has been provided by the DSO for the project specific interconnection Cost (Project # 1878), innogy received a CCD of **4.3 mCAD** in June 2019 for a load-driven substation upgrade to support growing load in and around that area (Project #1052, ISD May 2014, 13.6 MW DTS, 10.3 mCAD)
- **CCD cost allocated to innogy (based on 17 MW STS) is ~7 times higher** than the actual Quote Letter and came too late to be mitigated
- impact of **Future CCD's or changes to the existing CCD unknown and not assessable for DCG**

Hull Schedule



The application of a substation fractioning mechanism must integrate at least following principles:

- **cost causation and fair assignment of project specific grid connection cost**
- **avoidance of unmitigable market participant risk**

to create a reasonable level of Investor certainty to allow further growth in this power market segment.