

Stakeholder Comment Matrix – March 10, 2020 - extended

Participant-Related Costs for DFOs (Substation Fraction) and DFO Cost Flow-Through
 Technical Session (1)



<p>Period of Comment: March 10, 2020 through March 31, 2020</p> <p>Comments From: Solar Krafte Utilities Inc.</p> <p>Date: 2020/03/31</p>	<p>Contact: [REDACTED]</p> <p>Phone: [REDACTED]</p> <p>Email: [REDACTED]</p>
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Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. Email your completed comment matrix to tariffdesign@aeso.ca by **March 31, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	<p>Please comment on the Technicial Session 1 facilitated by the AESO on Feb. 27, 2020. Was the session valuable? Was there something we could have done to make the session more helpful? Please advise and be as specific as possible.</p>	<p>The session was valuable. It highlighted the unforeseen consequence of a tariff design that was implemented for very different reasons over a dozen years ago, and nowhere was this more obvious than in the BluEarth case study, where it took the AESO multiple cracks and three years (post project COD) to issue final CCDs for the project, ranging first in zero (nil) STS contribution to settling out at over \$11 million.</p> <p>The fact the AESO initially issued CCDs reflecting zero STS contribution confirms that the AESO itself struggled to reconcile the nonsensical consequence of the dual use tariff, when applied to DG (in this case a 29 MW generator). But the AESO wasn't alone on this. Fortis too failed to foresee the consequence of the tariff design, manifest, until recently, in their woefully inadequate tariff and their handling of DG connections, both completely silent on the potential for STS contribution flow through.</p> <p>The core problem with the current substation fraction approach is that it treats all DG as though it connects to the private, radial line of a market participant. It's this approach, and this approach alone, that gives rise to these egregious and ridiculous outcomes. And it's this approach, and this approach alone, that has created the need for the AESO to host these technical sessions.</p> <p>The session was valuable. It not only highlighted this patently unfair treatment of DG,</p>

		<p>but revealed the unfortunate position of the AESO, and its reluctance to admit that the tariff is broken and needs to be discarded, in relation to DG and substation fraction. The AESO used the morning session to walk us through examples of how the tariff treats all DG as though it connects to the private, radial line of a market participant. But to what end?</p> <p>Fortis president, Michael Mosher, a respected and seasoned veteran of the utility and energy industry, succinctly pointed out that the issue isn't one where we need to carefully adapt the design, to give a little here and a little there. He rightfully pointed out (and to an ovation we may add), that the issue is a policy issue, that the principles governing the tariff are fundamentally off.</p> <p>Mr. Mosher pointed out that he is unaware of any other jurisdiction in North America that subjects DG to STS contribution. This observation conforms accurately to Solar Krafte's global experience as well. Alberta is probably the only jurisdiction in the industrialized world that does this. And sadly, it's not because Alberta is progressive. It's squarely because it's the unforeseen consequence of a tariff design that was implemented for very different reasons over a dozen years ago. Energy investment capital is global, and portable. The AESO's attempt to subject DG to STS contribution simply makes Alberta not competitive.</p> <p>DG needs to be treated no differently than transmission-connected generation. Transmission-connected generation is shielded from transmission system costs, the so-called "system-related costs", paying only the incremental cost to connect its generator to the system. Our system is the distribution system. We too need to be shielded from system costs, but distribution system costs, and like transmission-connected generation, pay only the incremental cost to connect our DG generators to the system. This is parity. This is the fair and balanced approach, and this is the approach taken by every reasonably competitive jurisdiction on the planet.</p> <p>To reconcile this incongruity, we respectfully submit that the AESO need only exercise the legal discretion it has to determine the costs in question to be system-related and not participant-related.</p>
2.	<p>Please comment on the Technical Session 1 Summary Feb. 27 2020. Is there information you felt was covered during the session that has not been represented in the summary? If yes, please advise and be as specific as possible.</p>	
3.	<p>Please comment on the additional level-setting information</p>	

	<p>provided in Summary of Level-setting Information document. Do you have additional clarifying questions that need to be answered to support your understanding? If yes, please be as specific as possible.</p>	
4.	<p>Please comment on the revised high-level principles provided in the Summary of Level-setting Information document. Do you have additional clarifying questions that need to be answered to support your understanding? If yes, please be as specific as possible.</p> <p>Do you have additional principles that you feel have not been represented by these high-level principles? If yes, please be as specific as possible and provide the gaps/challenges you are trying to address with the additional principles.</p>	
5.	<p>Additional comments</p>	

Thank you for your input. Please email your comments to: tariffdesign@aeso.ca.