Stakeholder Comment Matrix – May 28, 2020

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

Period of Comment:	May 28, 2020	through	June 11, 2020	**Contact:**	[redacted]
Comments From:	Consumers Coalition of Alberta			**Phone:**	[redacted]
Date:	[2020/06/05]			**Email**:	

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **June 11, 2020**.

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

	Questions	Stakeholder Comments
1.	Please comment on the Techncial Session 2B facilitated by the AESO on May 28, 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.	The the Commission's findings in Decision 22942-D02-2019 included the following: • Gross metering for supply and for demand, for dual use of transmission system as well as for DCG; i.e no more net metering except for ISDs • Supply, whether at the transmission or distribution level, is required to bear the cost of accessing the system based on the principles set out in the E.L Smith Decision • Existing supply where load and supply access the system at the POD (at the substation or via the feeder), to be grandfathered and not subject to the charges associated with substation fraction • Metering point for DCG: AESO's proposal to specify that meters installed on distribution voltage feeder lines that are located within a substation as transmission facilities is compliant with the provisions in the act. • Equal access: cost of accessing the system for inflows treated the same as outflows based on substation fraction. The logical inference is, if load is subject tariffs based on embedded (or average) costs, supply should likewise be subject to the same embedded costs approach. Similarly if load is eligible for AESO investment, so should supply, based on substation fraction. The concern with the May 28, 2020 proposals facilitated by the AESO is that it is not consistent with the Commission Decision as it deviates from the Commission's embedded costs approach to tariffs. Further, this approach may create disparate incentives between transmission and distribution connected generation.

2.	The following five questions are seeking comments on the Technical Session 2B discussion regarding the outstanding design details identified on Slide 27. Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the **following outstanding design details:** • Substation fraction = 1 for DFOs	In CCA's view, the assumption that the substation fraction =1 for DFOs, is not consistent with the Decision because: The Commission findings require load and supply to be treated equally when it comes to transmission access charges, whether it be injection of power into the system(supply) or withdrwal of power (load) from the system. Therefore, since load is subject to POD charges on an embedded costs basis, supply should also be subject to the same embedded costs approach. In contrast, the substation fraction =1 approach for DFOs is not consistent with the embedded costs approach but rather reflects an incremental cost approach for DCG. Further, to the extent this treatment for DCGs accessing the system via DFOs is different from the treatment for dual use customer generation accessing the transmission system, there could be distorted incentives for access at the transmission level and at the distribution level.

3.	Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the **following outstanding design details:** • Determing a $/MW charge for DCG	As described in 2, the charge to load, or to supply for accessing the system, whether it be for DFO connected DCG, transmission connected DCG or, transmission connected dual use, the $/MW POD charges should be symmetrical. Here is a suggested approach to determining $/MW charge on an embedded costs basis: • Determine substation fraction for supply and for demand separately, whether it be DFO connected DCG or transmission connected generation • For practical purposes the substation fraction for supply could be deemed to be the contract demand. Contract demand at a POD could be calculated as the maximum supply when the load is minimum, in order to capture the maximum use of the POD, by supply. • The billing determinants used to calculate POD tariffs should include load and supply billing determinants. Example, if the AESO's POD costs are $120m, load is 10MW and supply is 2MW (based on contract demand), the POD charge would be $120/12=$10m/MW (note substation fraction calculation involves a tiered tariff structure and this is not reflected in the example). In this example, if not for the supply charge, the charge to load would be $120m/10=$12/MW • If 1MW out of the 2MW of supply were grandfathered, the grandfatherd MW would not be included in the billing determinants and the charge for granfatherd supply would be set to zero. Under this scenario the the POD charge per MW for new supply and for load would be $120m/11=$10.90 • Since supply would be subject to POD charges there would be corresponding eligibility for AESO investment; to the extent new supply incurs incremental participant related costs at an existing substation the new supply would be subject to contribution on the incremental participant related costs.
4.	Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the **following outstanding design details:** • Determining the applicability of the DCG charge	CCA is of the view that the incremental DCG charge approach contemplated in the May 28, 2020 presentation is neither consistent with the Commission's findings nor the principle of equal access.

5.	Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the **following outstanding design details:** • Determining the administration of the DCG charge	CCA is of the view that the incremental DCG charge approach contemplated in the May 28, 2020 presentation is neither consistent with the Commission's findings nor the principle of equal access.
6.	Please comment if (1) your organization does have or does not have agreement in principle and (2) any additional clarity or consideration to provide on the **following outstanding design details:** • Looking towards implementation	CCA is of the view that the incremental DCG charge approach contemplated in the May 28, 2020 presentation is neither consistent with the Commission's findings nor the principle of equal access. CCA does not support implementation of the incremental charge proposals from the May 28, 2020 presentation.
7.	Additional comments	For administrative convenience, micro generation supply (small and large micro gen) may be aggregated for purpose of determining the contract demand.

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