

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

Comments From: Community Generation Working Group (CGWG)

The CGWG is comprised of the Canadian Solar Industries Association (“CanSIA”), First Nations Power Authority (“FNPA”) and the Alberta Community and Co-Operative Association (“ACCA”)

CanSIA is a not-for-profit membership-based national trade association for the solar energy industry throughout Canada. CanSIA’s mandate includes engaging in policy development and regulatory affairs activities in Alberta to support a growing role for solar energy in the province’s electricity supply mix.

FNPA is a national not-for-profit membership-based organization whose mandate in Alberta includes supporting the development of Aboriginal-led business opportunities in the electricity sector. Indigenous communities can create long-term sustainable value for the members by proactively partnering in electricity generation facility development.

ACCA is a provincial not-for-profit membership-based co-operative whose mandate is to build a better Alberta by putting people’s social and economic well-being at the forefront of their businesses and projects in sectors including (but not limited to) solar electricity generation, utilities, finance and agriculture.

This submission represents the consensus view of the three constituent organizations of the CGWG.

Date: 2020/06/11

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	Questions	Stakeholder Comments
1.	<p>Please comment on the Technical 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.</p>	
2.	<p>The following five questions are seeking comments on the Technical Session 2B discussion regarding the outstanding design details identified on Slide 27.</p> <p>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:</p> <ul style="list-style-type: none"> Substation fraction = 1 for DFOs 	<p>A one-time, standardized, connection capacity-based DCG contribution towards participant-related costs is far preferable to the substation fraction methodology in terms of ensuring long-term cost certainty for DCG developers.</p> <p>While we would strongly support revisiting through a formal discussion process the principle that DCGs ought to be responsible for shared facility costs that they did nothing to cause and may have in fact helped to mitigate, we are willing to proceed in support of the DCG Consortium proposal of a compromise solution in the interests of achieving cost certainty for our members and community stakeholders.</p>

3.	<p>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:</p> <ul style="list-style-type: none"> • Determining a \$/MW charge for DCG 	<p>The CGWG agrees in principle, both with respect to ensuring appropriate price signals for generation connections, and ensuring an equitable and reasonable cost sharing arrangement for transmission infrastructure utilized in export from DCGs to the AIES.</p> <p>We concur with the view expressed by the DCG Consortium in terms a limited proportion of substation materials, labour, installation costs being included within the calculation of shared facility costs, these being the transformer and high voltage breaker costs specifically, and that costs of both materials and installation of those components should be shared. We further concur with the observation of Fortis and the DCG Consortium that inclusion of low voltage breaker costs in the calculation would result in double-counting of costs already borne by DCGs.</p> <p>We are strongly opposed to the inclusion of any other cost components in the calculation, including Transmission (supply/radial) line; Pre-SP cost, service proposal; Telecommunications; Facility applications, regulatory and compliance; Land; and Procurement management, project management, construction management or any related costs. Given that these are all fixed costs for the construction of a substation to serve TCG and load customers at more stringent reliability standards than would be required for a distributed generation asset, it would be in our view inequitable for DCG to share these costs.</p>
4.	<p>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:</p> <ul style="list-style-type: none"> • Determining the applicability of the DCG charge 	
5.	<p>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:</p> <ul style="list-style-type: none"> • Determining the administration of the DCG charge 	

6.	<p>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:</p> <ul style="list-style-type: none"> Looking towards implementation 	
7.	Additional comments	<p>We would like to reiterate the view expressed by the DCG Consortium that any shared facility cost contribution of \$20k/MW or more would effectively prevent any further development of distributed generation in Alberta.</p> <p>Alberta is the leading jurisdiction in Canada for DCG development, and the province's unique FEOC market design framework has enabled a wide range of Indigenous and community cooperative-led power generation ventures across the province, helping to create long-term sustainable value for community members through investment, employment, and new business opportunities. However, an unreasonable cost sharing arrangement will jeopardize the future of this vibrant and economically significant sector.</p>

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