

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: Canadian Solar	Phone: [REDACTED]
Date: 2020/06/05	Email: [REDACTED]

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.	<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>	<p>The session was solely focused on the design of a flow-through charge in absence of overarching policy clarity, there is a clear disjoint between ADOE (TDP) and TReg interpretation. Given that a TDP co-author clarified that the flow-through principle was not what the TDP objective sought achieve, it is a clear warning the TReg is bien missapplied. Only vague reference was given to the need for parity between transmission and distribution connected generators, in fact, there is a forcefull parity objective by rolling out of rate base a consumer cost (to pay for wire) and a forcefull alignment to what is a clear private investment of a transmission connected generator, i.e., costs not rolled into rate base. It is imperative that the AESO acknowledge that the stakeholders are not unanimous on any one proposal and that further input from the DOE and AUC will be required. In fact, AESO is acting as though the AUC instructed to find a cost allocation mechanism, when infact the excersice to reach an understanding on the allocation preiciples. It is clear that the DG communit is abruptly at odds with AESO priciples to charge, while there are those that are willing to settle for any cost so they may continue a project transaction. For absolute clarity, most developers willing to pay something is not by choise or alignment with regulation since there is none, but it is being paid as a form of ransom payment.</p> <p>It is clear that AESO is crafting a process that essentially skirts TDP as envisioned by the ADOE.</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>Too little information was provided regarding the long-term implications to DFOs, DCGs and electricity consumers of setting the substation fraction to 1 for DFOs. Additional information is required.</p> <p>The questions generally focus on “how” the projects should be charged for access to the AIES; however, there is a sizeable group clearly opposing the process and asking “if” AESO should be charging for access to the transmission system. AESO continues to ignore the questions and has simply assumend that an access cost to the transmission system is justifiable under TReg, TDP and EUA.</p>

<p>3.</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"> • Determining a \$/MW charge for DCG 	<p>Canadian Solar, as stated, does not support deriving a \$/MWh flow-through charge for DCGs given that there is no policy basis or regulatory framework for rolling-out rate base costs as a flow-through to a generator. AESO has failed to show where in TREG, TDP and EUA, a cost for wires paid by the consumer and existing in rate base can be rolled out and crafted into a flow through.</p> <p>This principle infact goes against TReg and TDP by charging a Transmission System access cost to the generator as is constitutes a pseudo wires cost to the STS rate, without being within the rate structure itself. Said otherwise, this process skirts the intended TReg and TDP objectives. Furthermore, the cost is proposed as incremental flow through to rate base which essentially constitutes double counting wires cost for access.</p> <p>Once again, AESO is acting opposite to both TReg and TDP.</p>
<p>4.</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"> • Determining the applicability of the DCG charge 	<p>We believe the DCG charge is not applicable given existing government policy and regulation.</p> <p>Once again, AESO is acting opposite to both TReg and TDP.</p>
<p>5.</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"> • Determining the administration of the DCG charge 	<p>Canadian Solar maintains that the applicability and approach must first be addressed prior to discussing administration of any DCG charges.</p> <p>Once again, AESO is acting opposite to both TReg and TDP.</p>

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 	<p>The AESO and affected stakeholders are likely a significant time away from properly clarifying the above-listed items. Canadian Solar is adamant that the overarching policy, regulatory framework and approach be clarified before agreeing to implement any DCGs charges. Canadian Solar prefers to fully address these concerns rather than to seek partial remedies. To that end, Canadian Solar emphatically requests interim relief for DCGs:</p> <p>Interim Relief: Pursuing immediate interim relief ceasing the use of the substation fraction methodology and recalling the existing CCDs, with confirmation that interconnection costs for DCGs will be allocated at a single point in time and future unfettered risk will not feature in the permanent solution;</p>
7.	Additional comments	<p>To date, the AESO has not provided detailed analysis concerning the impacts to stakeholders, and in particular the extent to which a disproportionately large DCG charge will harm the economic prospects of DCG projects, in violation of FEOC principles. Understanding of Impacts: A common understanding of the impacts resulting from each proposal to various stakeholder groups must be completed prior to any proposals being filed with the AUC.</p> <p>We request that the AESO acknowledge that the stakeholder undertaking mandated by the AUC has resulted in multiple proposals: the AESO ought to confirm that multiple proposals will be submitted by the AESO to the AUC, and equal time must be allocated to each proposal to engage with stakeholders on these concepts.</p>

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