



	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>Technical Session 2B was helpful. It enabled the provision of stakeholder feedback that the AESO should use in formulating its approach for developing a proposal to the AUC.</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 <b>following outstanding design details</b>:</p> <ul style="list-style-type: none"> <li>• Substation fraction = 1 for DFOs</li> </ul>	<p>(1) FortisAlberta agrees in principle with the AESO that a new ISO tariff provision is needed that does not require a substation fraction calculation or an allocation between demand-related and supply-related amounts where the market participant is a DFO (not DFO T-connect or AESO T-connect).</p> <p>(2) FortisAlberta has provided rationale for “Substation fraction = 1 for DFOs” in the Company’s proposal submission.</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 <b>following outstanding design details:</b></p> <ul style="list-style-type: none"> <li>• Determining a \$/MW charge for DCG</li> </ul>	<p>(1) FortisAlberta does not agree that a single \$/MW charge calculated by applying an STS contract level determined using the adjusted feeder metering practice provides the proper allocation of utilization costs. As such, within the context of the adjusted feeder metering practice, FortisAlberta submits that the contribution allocation should be determined based on DCG usage (reverse power flows and duration) through each PODs substation component (transformer and feeder breaker).</p> <p>(2) There should be <u>no</u> DCG costs allocated for usage of an existing transmission line installed to serve the DFO. This approach is consistent with the AESO's current practice of not allocating costs to Transmission-connected Generation (TCG) for usage of existing transmission lines, which FortisAlberta sees no reason to depart from in the circumstances.</p> <p>(3) If an approved \$/MW ISO Tariff Schedule were available, FortisAlberta could provide a DCG proponent with a timely estimate of the transmission system utilization cost upon the completion of the Company's high-level DCG connection study. A final cost could be provided thereafter by the AESO at the conclusion of Stage 1 of its Behind-the-Fence (BTF) process and coincident with the DCGs/DFOs commitment to an STS contract level.</p>
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<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 <b>following outstanding design details</b>:</p> <ul style="list-style-type: none"> <li>• Determining the applicability of the DCG charge</li> </ul>	<ol style="list-style-type: none"> <li>(1) FortisAlberta endorses the use of STS amounts that appropriately reflect the usage of substation components. The Company has proposed that the allocation of contribution amounts should be done separately for the transformer and feeder breaker components based on the actual usage (reverse power flows and duration) of each of these components, to be determined coincident with the establishment of the STS levels.</li> <li>(2) If the AESO deems that it is simpler to allocate contributions based on a single component and STS levels (as currently determined under the adjusted feeder metering practice), then the adjusted feeder metering practice should be reversed back to the POD transformer level to provide a more proper cost allocation.</li> <li>(3) FortisAlberta’s proposal includes a DCG utilization charge as a way to address the AESO’s deemed need for a DCG charge.</li> <li>(4) The calculations proposed by FortisAlberta are not complicated and only demonstrate how ASIC needs to be determined. This is far more efficient when compared to the current method with CCDs.</li> <li>(5) FortisAlberta agrees that whatever proposal is eventually approved should not be applicable to Rate 65 or Section 101(2) transmission-connected customers.</li> </ol>
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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 <b>following outstanding design details</b>:</p> <ul style="list-style-type: none"> <li>Determining the administration of the DCG charge</li> </ul>	<p>(1) FortisAlberta does not agree that STS contributions paid by DCG should be considered an offset to DFO contributions made in respect of load. Such an approach would inappropriately conflate load growth-related investments made under the AESO Customer Contribution Policy (ACCP) with generation-related investment in transmission assets, which cannot be provided by DFO market participants under the ACCP. Since STS contributions are intended to offset generation-related investments in transmission, any potential offsetting effects must be limited to the incumbent TFO rate base. Since an STS contribution mechanism would be an ISO Tariff feature, the effects of its administration would be the same regardless of whether it is ultimately applied as part of a distribution tariff or a transmission tariff.</p> <p>(2) FortisAlberta’s proposal outlines its recommended process for the administration of the DCG charge. The Company recommends that the AESO prepare and issue an Information Document (ID) clearly describing the methods of administration of DTS and STS contracts prior to the implementation of any new process.</p> <p>(3) FortisAlberta recommends that any approved provisions be clearly and transparently codified within both the ISO Tariff and applicable AESO IDs. This must occur regardless of which entities are finally tasked with the administration of these contributions.</p> <p>(4) FortisAlberta suggests that the specific cash flows between the DCG, DFOs, AESO and TFOs resulting from the implementation of any newly approved approach must be clearly defined in both the ISO Tariff and an accompanying ID.</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 <b>following outstanding design details</b>:</p> <ul style="list-style-type: none"> <li>Looking towards implementation</li> </ul>	<p>(1) It is not clear what the implementation plan is.</p> <p>(2) FortisAlberta would like to see some clarity with respect to a transition and implementation plan.</p>
7.	Additional comments	None.

Thank you for your input. Please email your comments to: [tariffdesign@aeso.ca](mailto:tariffdesign@aeso.ca).