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:	The Office of the Utilities Consumer Advocate	**Phone:**	[redacted]
Date:	[2020/06/10]	**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.	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.	
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 general, the UCA is in agreement with all participant related costs being allocated to the DFO load and subsequently introducing a DCG charge where a DCG connection triggers additional participant-related costs. The UCA believes that any scheme needs to differentiate between supply and demand related costs and this approach will ensure cost certainty for DCGs (Principle 3)
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	In principle, the UCA is in agreement with a $/MW charge for DCGs that reflects a reasonable cost of transformation for the MWs that flow onto the transmission system. However, the UCA would like to see more clarity regarding the formulas and proposed calculation before any endorsement is made. Specifically, the UCA would like more information regarding the proposed annual $/MW charge rather than a monthly $/MW charge and how the AESO plans to accurately and efficiently recover those costs through the DCG charge. To make use of existing distribution facilities and promote DCG connection efficiency and optimization, the UCA would support a locational optimization approach as it would lower costs, increase competition and ultimately benefit all rate payers.

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	The UCA is, in general, in agreement with the applicability of a DCG charge as proposed on slide 23 of the AESO's May 28th presentation. The UCA believes the application of the DCG charge should reflect usage, similar to FortisAlberta's proposed ASIC calculation. However, while this proposal is aligned with the principle of cost causation, it is also important to acknowledge that should utilization decrease by the DCGs due to reduced demand, there may be associated unrecoverable costs associated with transformation that the DFO may not be able to completely recover from the DCG. This, in turn, could impact load customers regarding the recovery of costs. In addition, the UCA recommends limiting the DCG to the size of the feeder as not doing today would subject load customers to any costs associated with further transmission system development as a a direct result of increased DCG capacity.
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	The UCA believes the DCG charge should exist in the ISO Tariff. In addition, should the annual $/MW formula/calculation be adopted (see #3 above), the DCG charge should be adjusted annually to accurately reflect cost changes.
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	The UCA has a legislated mandate to represent the interests of residential consumers, farmers, and small businesses. Given the economic uncertainty and the difficult investment climate cited in these sessions by the DCGs, all stakeholders should acknowledge that consumer groups represented by the UCA have also fallen on hard times, be it in their professional and/or personal lives. Any inteim-relief afforded to the DCGs by the AUC should also be given to load customers as well. In addition, the UCA seeks clarity around historical costs that load has already paid for that the DCGs are currently benefiting from. Will these costs be assessed retroactively and subsequently be refunded to load customers?

7.	Additional comments	Generally, the UCA is supportive of the AESO's plan to charge a "connection fee" and then a "usage" fee to DCGs. It is especially important to charge for **both incremental** costs and a reasonable share of allocated **existing** system costs. It is crucial to discourage connection at distribution voltage simply as a means to bypass payment of higher embedded transmission costs. Generators are expected to pay both location based contributions (GUOC) and location based incremental loss charges. More extensive locational based charges reflect the significant impact of generators on bulk system costs. During the 12 CP discussions there seemed to be broad general agreement with stakeholders and the AESO's planning engineers that the lack of stronger locational generation charges (a result of the T.Reg) is a problem that has resulted in load customers bearing excessive costs of transmission. For the above reasons the UCA recommends that DCGs pay a locationally differentiated connection charge that would encourage more efficient system development, and prevent "voltage shopping" and uneconomic bypass..

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