

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

COVID-19

As you may be aware, in light of recent events surrounding the evolving COVID-19 pandemic, the AESO has decided to take the following precautionary action with respect to stakeholder engagement sessions. Effective Monday, March 16, 2020 and lasting until April 30, 2020 all stakeholder engagement sessions will be via webinar only. No in-person sessions will be allowed.

Technical Session 2 postponed

Technical Session 2 will no longer be held on April 1, 2020. It has been postponed until we can determine how to best move forward with the sessions in this environment. We will share updates and a proposed revised timeline and approach for the sessions as soon as possible. The format for Technical Session 2 will be webinar based; we are investigating tools to allow for a more interactive webinar format.

Request for proposals

While the format is being determined we are still looking for workshop participants who wish to develop and present a proposal for the participant-related costs for DFOs and DFO cost flow-through as part of Technical Session 2. Optimally we would like groups with 'like' or similar proposals to work together on a proposal presentation. More details regarding the proposal guidelines can be found below. Those interested in presenting a proposal can express their interest by emailing tariffdesign@aeso.ca by **March 24, 2020**. Proposals will be due by **April 16, 2020** and will be posted to the AESO's website by **April 17, 2020**.

Document purpose

The purpose of this document is to provide a structured and consistent guide to workshop participants that want to create a proposal for the treatment of participant-related costs and cost flow-through as part of the AESO's Technical Session 2.

Instructions

1. Please signal your interest in completing a proposal to tariffdesign@aeso.ca by **March 24, 2020**
 - Where possible, we'd encourage you to group together to present with 'like' or similar proposals to keep Technical Session 2 as pragmatic as possible
2. Please develop a presentation that profiles your solution and answers the AESO's additional question set (see questions below).
 - You can structure your presentation however you'd like, but we recommend using the suggested structure laid out below.
3. Please have your proposal completed and submitted to tariffdesign@aeso.ca by **April 16, 2020** for pre-meeting circulation and review.
4. Please be prepared to present your proposal at the upcoming Technical Session 2 through the webinar approach on **a date to be determined**. The AESO will assess how the time and format required for presentations depending on the number of proposals that are received and the

webinar approach chosen. If adjustments are required in the agenda, the AESO will make those adjustments to be included in the Final Agenda.

Suggested proposal structure

We recommend using the headings below in the development of your proposal:

A. Overview of your proposal

- i. Think 30-second elevator pitch

B. Principles your proposal is based on

- i. What do the Principles mean to you?
- ii. What are the objectives you are trying to achieve or the challenges you're looking to address with your proposal (i.e., what are you trying to solve)?

C. Your proposal

- i. What it is (more detailed than the initial overview)
- ii. Process considerations (i.e., how would this solution work?)
- iii. Has the solution been implemented in other jurisdictions? Is there any external validation for your proposal?

D. Implications of your proposal

- i. What are the benefits?
- ii. What are the costs?
- iii. What are the risks?
- iv. What is your evaluation of your proposal weighed against the Principles?
- v. Any other Implications (e.g., what is the impact of your proposal on a stakeholder by stakeholder basis?)

Please note: Any comparisons should be made to the existing substation fraction

Questions to resolve

Please find below the questions your proposal needs to address and additional questions that your proposal should try to address:

Your proposal must answer:

1. Should the AESO or the ISO tariff make a distinction for distribution-connected generation as being different from a DFO or a transmission-connected generation or load?
2. How can distribution-connected generation optimize distribution or transmission facilities by either their connection or their supply?
3. How can the value or optimization of distribution or transmission facilities be determined?

Your proposal should try to answer:

1. What is the fair or appropriate methodology to determine minimum facilities required to allow distributed-connected generation access to the transmission grid? Is the fairness methodology an on average calculation across all distributed-connected generators in the province or should the fairness methodology account for differences throughout the province?
2. How should ISO tariff local investment be implemented given increasing amount of generation added to traditionally load-only point-of-deliveries?
3. Can the proposal be implemented within the existing ISO tariff provisions? If not, what will need to be changed?