Session 6A – June 3, 2021 Comments

Stakeholder comments on Session 6A [Posted June 11, 2021]

1. Alberta Direct Consumers Association (ADC)
2. AltaLink Management Ltd.
3. Canada West Ski Areas Association (CWSAA)
4. Capital Power Corporation
5. Conoco
6. Consumers Coalition of Alberta (CCA)
7. DCG Consortium
8. Dual Use Customers (DUC)
9. EPCOR Distribution and Transmission Inc.
10. Heartland Generation Ltd.
11. Industrial Power Consumers Association of Alberta (IPCAA)
12. MATL Canada & MATL LLP (MATL)
13. Suncor Energy Inc.
14. TC Energy
15. TransAlta Corporation
16. Utilities Consumer Advocate (UCA)

Alberta Electric System Operator

Calgary Place, 2500, 330-5th Avenue SW Calgary, AB T2P 0L4

Phone: 403-539-2450 | Fax: 403-539-2949

www.aeso.ca

@theaeso

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021 through June 10, 2021	**Contact:**	Colette Chekerda
Comments From:	Alberta Direct Connect Consumers Association	**Phone:**	780-920-9399
Date:	2021/06/10	**Email**:	colette@carmal.ca

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	The ADC did not find the session particularly valuable as the AESO continues to rely on high level power point presentations to support their proposal and has provided no transparency to any studies, data or analysis to support the preferred tariff design. The message has been "trust us" without regard for the consequences on the Alberta economy. The ADC remains unconvinced that the AESO preferred tariff design provides a fair or efficient price signal. The impact to the Alberta economy and particulary to the manufacturing sector will have consequences to long term investment and jobs.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	The study makes no mention of reasons why customers have been reluctant to self supply in the last few years. I.e. Policy uncertainty around capacity market, self – supply and export, and metering practices.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	e. not supportive The proposed tariff design is signalling a grid exit for high load factor customers. This exit could be a move to self generation or exit from the province. Further the AUC just ruled that DCG credits are to be phased out over the next 4 years, so one of the key reasons for the case for change no longer exists.
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	Not supportive
5.	How would you describe your level of support for the "flat energy charge" element of the design?	Not supportive
6.	How would you describe your level of support for the "5-year average of 12-CP" element of the design?	Not supportive – the AESO already has a 5 year notice period for changes to DTS contract capacity, the 5 year 12 CP ratchet is unnecessarily complex and will be another barrier for distribution companies to adopt tariffs that can align with the transmission tariff.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	The ADC has previously commented on the elements of the design we have concerns with. Those concerns remain unaddressed, in particular the demand energy classification. The AESO could have taken an approach where they held the CP charge at current levels and introduced a higher energy charge over time or considered alternative rates.

8.	Additional comments	The ADC requests the AESO provide their detailed analysis and data supporting the demand / energy classification to provide transparency and sufficient time for interveners to review and understand the materials. The AESO has this data available as they relied on it for the tariff proposal. There is no reason not to make this available as soon as possible. Further, the ADC wishes to highlight a commission ruling on alternative rate classes and requests the AESO reconsider it's position on examining alternate rate classes (beyond DOS) for different operational requirements for interruptible, standby, and storage customers. **Extract from EUB Decision 2007-106** Page 7&8, pdf 12&13 In a number of instances, the AESO argued[12] that it would consider it inappropriate to permit variations in rates based on operational considerations such as voltage level because operational considerations may, to an extent, reflect the location of the customer. As a result, such variations may violate subsection 30(3) of the *Electric Utilities Act* (EUA). Subsection 30(3) of the EUA provides: 30 (3) The rates set out in the tariff (a) shall not be different for owners of electric distribution systems, customers who are industrial systems or a person who has made an arrangement under section 101(2) as a result of the location of those systems or persons on the transmission system, and (b) are not unjust or unreasonable simply because they comply with clause (a). In its reply argument, the ADC submitted that the AESO's interpretation of subsection 30(3) of the EUA was too broad. The ADC submitted that this provision does not prohibit recognition in

		the AESO's tariff of engineering or physical differences that may cause increased costs but which are not specifically tied to location.[13] The Board agrees with the interpretation presented by the ADC. **In the Board's view, recognizing different operational circumstances and their cost implications does not, in itself, contravene subsection 30(3) of the EUA. That section requires only that the rates not vary as a result of the location of their systems on the transmission system (i.e. the geographic location of the POD within the province). This is consistent with the Board's finding in Decision 2001-6.[14] The Board is in no way commenting on whether the AESO may have justifiable reasons, separate and apart from subsection 30(3), for extending system access service to all customers regardless of their actual physical system facilities. This specific legislative provision simply does not prohibit variations in rates based on operational considerations.**

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021 through June 10, 2021	**Contact:**	Hao Liu / Rob Senko
Comments From:	AltaLink Management Ltd.	**Phone:**	403-710-1247 / 403-874-6762
Date:	[2021/06/10]	**Email**:	Hao.liu@altalink.ca / rob.senko@altalink.ca

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	(i) Somewhat valuable The session allowed parties to express concerns with the newly-released Nera study on self-supply. (ii) The March 25 session was sufficient to explain the AESOs preferred rate design
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: (i) Response to incentives under the preferred rate design (e.g., assessment of self-supply response) (ii) Impact on wholesale energy market	(i) No additional questions at this time. (ii) No additional questions at this time..

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	e) Not supportive. AltaLink is still not convinced that the proposed rate design will stop the increase in bypass of transmission costs or the cost shifting that has been occurring under the AESO's existing rate structure. In fact, under the proposed AESO rate design AltaLink believes the cost bypass issue will only get worse. See AltaLink's rationale set out in the comment matrix in response to the AESO's March 25, 2021 stakeholder session. As well, AltaLink agrees with the stakeholder comments at the AESO's June 3, 2021 meeting concerning NERA's report on Customers Response to the AESO's Recommended Bulk and Regional Tariff Design. In AltaLink's opinion, this report does not truly reflect the amount of future cost bypass that will occur if the AESO's recommended design is approved by the Commission.
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	Not supportive. See above.
5.	How would you describe your level of support for the "flat energy charge" element of the design?	Not supportive. See above.
6.	How would you describe your level of support for the "5-year average of 12-CP" element of the design?	Not supportive. See above.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	See above.
8.	Additional comments	None.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021	through	June 10, 2021	**Contact:**	Rick Cowburn
Comments From:	CWSAA / VIDYA			**Phone:**	(403) 397-8785
Date:	2021-06-10			**Email**:	rcowburn@vidya.ca

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	Thanks, the AESO is clearly working hard to consult with stakeholders. The session was useful, and the recording was most helpful to review details of discussions.

2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	The proposal to allocate costs based on generation & load's use of the system merits deeper reflection. If the generation fuel source was available everywhere, then generation would always be located in close proximity to the load it serves. ENMAX's Shepard plant is an excellent example – virtually no transmission was required. The only requirement for transmission would be in the event of outages, or where the economics of generation technologies favoured it (e.g. the original Calgary-Edmonton transmission line in the 1930's, when "Calgary Power sold electricity to Edmonton during the summer, and EWdmonton sold surplus power to Calgary power during the low-water season." Candles to Kilowatts, p.29). Generation's energy source is the primary driver of generation location. Hydro-electric generation has to be where the dam is. Similarly, it is far cheaper to transport electricity than it is to transport thermal coal, so coal-fired power plants were located at the coal fields and transmission was built to reduce the total cost of electricity. Wind and solar resources are more widely distributed, but the same logic holds – transmission is built to enable optimal generation resource location. If local generation exceeds local load, it is because generation developers have identified an attractive local energy source. Under current legislation, generation has no material incentive to minimize the resulting transmission build, and local load is thus completely irrelevant to generators' location decisions. If transmission is required, it is there to facilitate access to attractive energy resources, which could be seen as supporting an allocation of all transmission costs to energy. The converse situation, where local load exceeds local generation, would arise where there are few attractive local energy resources. One could argue that incoming transmission capacity is needed only for that 'excess' portion of the load that is above local generation. However local generation does not trigger any bulk or regional transmission requirements, thus the level of local generation seems irrelevant to cost allocation. Are we really capturing the overall system's characteristics by taking all these local area data points and summing them up? We have a calculation – but is it physically meaningful? How could we demonstrate that it is – or is not? If this is a scientific hypothesis, it has to be possible to prove it false. (see Popper – The Logic of Scientific Discovery) There is a second factor driving transmission capacity, namely flexible generation dispatch. In the old monopoly generation world, unit dispatch could be optimized to follow a clearly defined response pattern that considered both generation and transmission economics. But in the new competitive electric market, unit dispatch follows 'deals' between parties, and as a matter of policy all possible 'deals' have to be facilitated by transmission assets. (T Reg §42) In principle, one could construct a hypothetical transmission system that is optimized based on central control of generation, and compare it to the current system. Any such hypothetical analysis would be open to endless challenge, though the principles may be sound. And then there is the reality that much of the current bulk system was created by legislative fiat, driven by neither demand nor energy. The search for cost causation hits a wall…

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	Somewhat supportive of some elements. (see below)
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	Regulators and utilities have been debating demand / energy cost allocation for well over a century, and there is still no 'standard' consensus approach. The observatiions at point 2 above are intended to question the assumption that area peak generation and load can be directly linked to demand and energy allocators. While the proposed fundamentals-based approach appears generally sound, it is not clear how the proposed allocation is grounded in physical reality.
5.	How would you describe your level of support for the "flat energy charge" element of the design?	A review of NIDs will demonstrate that responding to outage contingencies and unusual generation dispatch patterns is the immediate driver of many transmission projects. Ratemaking focuses on peak loads for cost allocation because that's who pays the bills and the data is easy to come by – but transmission system stress and the need for reinforcement is not rigidly correlated with peak loads. Accordingly, non-time differentiated energy charges appear appropriate. The old equation "Fixed = Demand, Variable = Energy" has a pleasing simplicity that is unfounded in fact. The reality is more complex – for example, ratcheted demand charges seem to encourage peak demand reduction, but in practice long-term ratchets discourage peak reduction throughout the ratchet period by locking in a usage-independent bill. "We're already paying for it, we might as well use it…" The unratcheted 12-CP approach is in this regard similar to the energy charge – by more closely linking usage with billing, they encourage parties to 'get off the system' when they're not using it.

6.	How would you describe your level of support for the "5-year average of 12-CP" element of the design?	The 12-CP element of the rate design was never expected or intended to become the cost-avoidance tool it has evolved into. ("Clearly it is not possible for a customer to generally simply turn the power off and completely avoid the hour of system peak…" EUB Decision 2007-106, p.34) It should be removed from the tariff entirely, rather than fossilized for the forseeable future. And on this matter, views are entirely polarized into those who benefit from 12-CP and those who pay the resulting bills.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	It appears unlikely that there will be an agreement on rate impact mitigation. The AUC's recent DCG Decision 26090 provides a reasonable approach to major rate transition – a five year, graduated phase-in. The calculation details in this case are not trivial, since one would have to establish a 'base tariff' against which to calculate benefits, and determine the volumes to which the two tariffs would apply in order to calculate the mitigation payment; but the approach seems balanced and fair.
8.	Additional comments	Best wishes – this will be a controversial proceeding!

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021	through	June 10, 2021	**Contact:**	Matthew Davis
Comments From:	Capital Power			**Phone:**	403.540.6087
Date:	2021/06/10			**Email**:	mdavis@capitalpower.com

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	Capital Power appreciates the opportunity to provide comments on the June 3, 2021 stakeholder session. While the session was valuable in that it provided a forum for stakeholders to ask questions about the preferred rate design, it appeared that many questions either remained unanswered or the answers provided were not sufficient in explanation. As a result, Capital Power did not come out of the session with a materially improved understanding of the AESO's preferred rate design. Capital Power believes that further anaylsis should be undertaken to determine the portion of costs allocated to demand and energy and the overall impact of the preferred rate design on customers. However, this additional analysis will only be effective if the AESO takes into consideration the concerns and recommendations voiced by stakeholders in the June 3rd session.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas:	Capital Power remains concerned that the AESO's preferred rate design and underlying analysis fails to accurately depict customer response to the incentives that will be created by the tariff. For

	Questions	Stakeholder Comments
	i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	example, in the AESO's analysis of self-supply response there was no consideration given to cogeneration or renewables, only simple and combined cycle. The narrow generation mix focused on by the AESO is not reflective of Alberta's current or future state. At minimum, the AESO needs to expand its assessment of self-supply response to consider the impacts of the tariff for cogeneration investment. In addition, the AESO did not consider that customers in Alberta have invested in generation and technology in response to the signal that 12-CP provides and that these sunk costs combined with the AESO's preferred rate design will further incentivize self-supply and grid defection. Capital Power's question at the session regarding how the AESO's analysis on the impact to wholesale energy market efficiency would change when considering how sunk investments would alter their behaviour remains un-answered. It is highly likely that the 12-CP response would continue, and further, those that have invested in capacity on-site to avoid 12-CP periods would now be more likely to run that capacity in more hours due to the increased energy charge. The AESO's efficiency analysis does not consider these incentives in developing their conculsions,.and is incomplete in this key respect. In the AESO's findings on the response of self-supply to the AESO's preferred rate design, it was estimated that the initial response will be an increase of up to 2,801 GWh of self-supply, or equivalent to a total cost shift of approximately $30 million per year from self-supply customers to other customers. This is concerning because: 1. The AESO did not consider cogeneration or renewables in the self-supply analysis; and 2. This equates to about a 400 MW reduction in load served by the transmission system and market, which is not immaterial, particularly given current expectations for little to no load growth. Capital Power is concerned that not only did the AESO miss a significant portion of self-supply customers in their analysis, but that the AESO considers this magnitude of self-supply immaterial.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	Please see Capital Power's response to AESO session 5 materials.
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	Please see Capital Power's response to AESO session 5 materials.
5.	How would you describe your level of support for the "flat energy charge" element of the design?	Please see Capital Power's response to AESO session 5 materials.
6.	How would you describe your level of support for the "5-year average of 12-CP" element of the design?	Please see Capital Power's response to AESO session 5 materials.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	Please see Capital Power's response to AESO session 5 materials.
8.	Additional comments	Capital Power does not have any additional comments at this time.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021	through	June 10, 2021	**Contact:**	Blair Wood
Comments From:	Conoco			**Phone:**	403-532-3575
Date:	2021/06/10			**Email**:	Blair.wood@conocophillips.com

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	The session was valuable, and the AESO offered a clear explanation of the components of its preferred rate design.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	During the session, concerns were raised about the comparative economics and incentives of the preferred rate design. Conoco shares those concerns. The NERA study states that "We find that moving from the current to the recommended tariff marginally increases optimal self-supply for customers in our sample by 814 GWh and 1,214 GWh in 2018 and 2019 respectively" (para 164). In other words, the proposed design increases the incentive to self-supply as compared to the existing tariff, according to the NERA study. Therefore, an outstanding question for the AESO is whether their preferred rate design is aligned with the original goal of decreasing the incentive to self-supply. If there are other goals, such as the potential for unquantified long run gains in economic efficiency, how has the AESO chosen to weigh those goals against each other? How are these goals balanced considering the likely short term increase in tariff costs to the remaining market participants because of the preferred rate design? It would be helpful to Conoco, all other participants, and eventually the Commission, to have access to the AESO's reasoning in response to the above questions and the underlying data/information.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	Conoco is not supportive overall since it increases costs to high load factor customers which should be the customer group that the AESO would want to retain.
4.	How would you describe your level of support for the “allocation of costs to energy” element of the design?	Conoco is not supportive of allocating to energy. Transmission is built in substantial chunks, and typically built for capacity. Therefore, it is more appropriate to allocate these costs on a non-ratcheted NCP basis.
5.	How would you describe your level of support for the “flat energy charge” element of the design?	Conoco is not supportive of the flat energy charge, as it causes a distortion that is primarily of benefit to low load factor customers.
6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	Conoco is still evaluating this design element.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	NA
8.	Additional comments	The AESO has not adequately supported the reasoning behind its preferred design. In particular, the AESO has not explained how its preferred design will respond to immediate concerns about the incentives to self-supply and the resulting impact on the remaining market participants.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021	through	June 10, 2021	**Contact:**	Raj Retnanandan
Comments From:	CCA			**Phone:**	Contact Phone Number
Date:	June 10, 2021			**Email**:	

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	i) Parties have expressed concerns over the preferred rate design in previous comment matrices and in submissions to the Commission. The explanations and rationalizations provided at this meeting served primarily to justify the AESO's preferred rate design. The AESO could establish a process to follow up on the continuing concerns of stakeholders. ii) In view of i) above, providing further clarity on the preferred rate design was not helpful from CCA's perspective.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	A number of questions and concerns were raised during the sessions on the assumptions used in the study.
	Questions	**Stakeholder Comments**
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	See below

4.	How would you describe your level of support for the “allocation of costs to energy” element of the design?	Not supportive. Classifying those area facilities costs, where peak generation exceeds peak demand, to energy, could be appropriate if the energy price signals were being provided directly to generators on a location basis; this is not permitted by legislation. However, providing energy price signals to load based on costs that arise from generation, would have the effect of discouraging energy use from the grid and encouraging self generation. This could create a viscious circle where increases in self generation and export, could be followed by further increases in the proportion of transmission costs classified as energy related, followed by further increases in the energy price. At a time when self supply on the part of load customers of all types is increasing, the value of grid connection to such customers gains greater importance, while the value of energy supplied from the grid decreases. The value of grid connection to self supply customers includes: i) balancing of supply and demand flows through exchanges with the grid; ii) ability to maximize value of exports; iii) access to back up power; iv) frequency and voltage control services received from the grid or provided to the grid and v) system stability arising from grid connection. In addition to the grid connection, the capacity that is in place to meet the demand requirements of self supply customers is also an important value consideration. In view of these value considerations (i.e. connection and capacity), CCA believes further thought ought to be given to classifying that portion of costs considered as energy related by virtue of area peak generation exceeding peak load, as demand related and recovered on the basis of customer NCP demand (non ratcheted). Use of customer NCP demand (non ratcheted) would better reflect recovery of the fixed capacity costs associated with grid connections and provide a more effective price signal to load with self generation based on the value of grid connection.

5.	How would you describe your level of support for the “flat energy charge” element of the design?	Not supportive. In CCA’s view, as the proportion of self supply customers increases over time, a significant energy charge, whether time differentiated or not, could lead to lower and lower amounts of energy being taken from the grid. Since, a large proportion of transmission costs are fixed, reducing the offtake of energy from the grid by self generation customers means, those costs would then need to be recovered from other customers. This could lead to inequities between customers with self generation and other customers.
6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	In CCA’s view the 5 year average CP demand approach using a single hour in each month, for recovery of a portion of bulk system costs, neither reflects cost causation nor does it provide efficient price signals for customers to reduce consumption during any other peak hour that has a high probability of giving rise to future plant additions. However, if the CP hours were based on a group of peak period hours in each month, with a high probability of driving system additions (example: hours with 90% probability of driving system additions) that would result in better alignment between cost causation and price signals as opposed to using historical average CP hours as proposed by the AESO.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	The items discussd above reflect the major concerns that need to be addressed.

8.	Additional comments	CCA recognizes the difficult task of designing AESO tariffs when the overall AESO revenue requirement (wires and ancillary services) remains relatively high. As a result of a relatively high revenue requirement, the resulting tariffs are likely higher than the avoided cost of self supply for many customers. [AESO Delivered Cost of Electricity Report May 2020] The AESO has statutory responsibility for planning TFO wires, distribution driven transmission facilities and ancillary services. Although there have been initiatives on the part of the AESO to coordinate planning efforts with DFOs, the overall planning approach of the AESO remains rooted in the one way energy flow, siloed utility planning model with little regard to optimization of overall costs to customers. However, the industry is in transition with two way (or multiple) flows of electricity whereby distributed and other resources are increasingly able to provide value to the system and consequently help reduce system costs. In CCA's view this value is not being tapped under the AESO's current regulatory policies for system planning. In the absence of appropriate regulatory policies, harnessing the potential value that DCG, TCG, DER and Demand Response could offer for the benefit of the system remains elusive, although enabling conditions, such as cloud computing and other digital technologies are available. In order to reduce some of the cost pressures arising from an increasing AESO revenue requirement, there is merit in reviewing the AESO's planning approaches in the context of the upcoming AESO GTA Phase I proceeding in order to achieve overall optimization of wires and ancillary services costs.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021 through June 10, 2021	**Contact:**	Christine Runge (Power Advisory)
Comments From:	DCG Consortium The DCG Consortium is comprised of the following members: BluEarth Renewables Inc., Canadian Solar Solutions Inc., Elemental Energy Renewables Inc., RWE Renewables Canada Holding Inc. and Siemens Energy Canada Limited. This submission represents the consensus view of the group and is submitted on behalf of the group by Power Advisory LLC	**Phone:**	403-613-7624
		Email:	crunge@poweradvisoryllc.com
Date:	2021-06-10		

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	
5.	How would you describe your level of support for the "flat energy charge" element of the design?	

6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	The following comments were submitted by the DCG Consortium in its April 15, 2021 comment matrix in response to Session 5: **<u>The implication of a five-year average 12CP reduction on DCG Credits</u>** It is unclear if the AESO has thoroughly considered the implications of using a five-year average of 12CP in calculating DCG Credits. It is further unclear how a DFO would perform these calculations. In the consultation session, it was explained that the use of a five-year average 12CP response does not change the total savings, but does smooth them over five years, i.e., response to a 12CP hour in January will result in savings spread over the following five January bills. DCG Credits cannot ignore this fact. When a DCG generates under this five-year average approach, it will cause bill savings in that month’s bill and also four additional monthly bills over the next five years. The DCG Credits cannot continue to be calculated in their current form, which consider only the impacts to that specific month’s bill. A DCG needs to continue to be compensated for all of the savings it generates, which will occur over time under the AESO’s proposal. (Please note that this comment is based on the fact that the current DCG Credits are based on the bulk and regional tariff and noting that Decision 26090 has not yet been released. However, even in the event that DCG Credits change as the result of that decision, a grandfathering or transitional period may continue to exist and DCG Credits should not be artificially decreased over a transition period based on this five-year average calculation.) **<u>Transition to a five-year average</u>** The AESO should further consider that the transitional period to the use of a five-year average will place increased importance on the ability to avoid a 12CP charge in the first few years of the new rate design. In the first year, the January 12CP charge will be based 100% on consumption during that time period. In the second year, the January 12CP avoidance from the first year will count for 50% and the January 12CP avoidance from the second year will count for 50%. In this way, while the steady state use of a five-year average will have each month count for 20% of a charge five times (20% x 5 = 100%), the months in the first year will be weighted much higher (100% + 50% + 33% + 25% + 20% = 228%). As a result, failure to respond to a 12CP hour in the first year of this new rate design will have much more significant financial impacts than failure to respond to a 12CP hour in later years. The AESO may wish to consider a different transition mechanism under which the first year is not so strongly weighted. One such option would be to fix the value of previous years at 20% from the beginning, i.e., in year 1, year 1 is 100% but in year 2, instead of 50%/50%, year 1 can be worth 20% and year 2 can be worth 80%. This would lower the value of year 1 from 228% to 180%.

Any reduction in the first-year weight would help to lower the cost and risk of failure to avoid all net imports during a 12CP hour in the first year.

The DCG Consortium notes that these issues were not raised or responded to in Session 6A. The impact of the five-year average on DCG Credits is a significant concern to the DCG Consortium. The DCG Credits will be significantly reduced for many DCGs with the implementation of the adjusted metering practice. DCG Credits can further be expected to fall with the reduction in the 12CP rate as a result of this application. DCG Credits should not be further arbitrarily reduced by 80% due to the use of a five-year average.

While the calculation methodology of the DCG Credits is the responsibility of the DFOs, the AESO cannot ignore this important implication in the development of its application.

As per the recently released Decision 26090-D01-2021, DCG Credits will be reduced through a transitional period between January 2022 and January 2026 in accordance with the following table.

Year	First day when the multiplier will be applied	Multiplier
1	Jan 1, 2022	0.8
2	Jan 1, 2023	0.6
3	Jan 1, 2024	0.4
4	Jan 1, 2025	0.2
5	Jan 1, 2026	0

However, in addition to these reductions, most DCGs will also be subject to a future reduction in DCG Credits due to the implementation of the AESO's adjusted metering practice.

The Commission has approved both of these forms of DCG Credit reductions. The Commission has not approved a further reduction in DCG Credits as a result of the use of the 5-year average 12CP charge that would impact DCG Credits in a different way from the impact of load rates, i.e. the DCG Consortium accepts that DCG Credits may change in value as a result of the next ISO tariff rates (expected to go into effect in 2023 or 2024), but the DCG Consortium does not agree that a further reduction as a result of the use of the 5-year average 12CP charge is appropriate.

The AESO should not decrease these multipliers beyond what was approved by the Commission through the application of its 5-year average 12CP charge. This needs to be appropriately accounted for the in calculation of DCG Credits.

Assuming the ISO tariff goes into effect on Jan1, 2023, if this is not appropriately accounted for in the DCG Credit calculation, then in 2024 DCG Credits will be subject to a 0.2 multiplier (0.4 as approved by the Commission further reduced by 0.5 due to the use of the 12CP average) and further to 0.066 in 2025 (0.2 as approved by the Commission further reduced by 0.33 due to the use of the 12CP average). This would go against the multipliers approved by the Commission.

		This problem can be solved simply as long as the DFOs are accurately accounting for the impact of a DCG's generation during 12CP, noting that it will impact not only that month's invoice but also invoices for the following 4 years. This could be resolved through continuing to provide the DCG Credit associated with the 12CP reduction in the year of the action and the five years following (i.e. generation in 2024 would result in DCG Credits paid in 2024-2028) or through paying DCG Credits in that month assuming a 100% impact to the 12CP charge, rather than a partial impact in this year and a partial impact in future years. However this issue is resolved, it must be resolved. The DCG Consortium urges the AESO to consider this issue and include language in its 2021 ISO tariff filing with the Commission in October in order to provide for an understanding of how this 5-year average is designed to flow through to DCG Credits in order to provide investor certainty and clarity through this transitional period.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	
8.	Additional comments	

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021	through	June 10, 2021	**Contact:**	Dale Hildebrand
Comments From:	Dual Use Customers			**Phone:**	403-869-6200
Date:	2021/06/10			**Email**:	dale.hildebrand@desirataenergy.com

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	(i) We found the first two sections of the session to be repetitive and of limited value. The DUC would like to review the proposed cost of service study and proposed allocation of costs to energy methodology in detail once the AESO makes this information available. (ii) No.

2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	i. As discussed during the session, the DUC submits that the Estimating Customer Response to Our Recommended Bulk and Regional Tariff Design report dated 25 May 2021 does not appropriately analyze the potential threat of load defections from the AESO's proposed B&R tariff design. We submit that the significant and real threat of load defections predicated by the AESO proposed B&R tariff design will be large high load factor industrial customers and price responsive industrial loads who will experience large rate increases. We submit that the potential for customers to self-supply using simple cycle gas fired generation, as assumed in the NERA report, will be minimal. The self-supply response analysis had very limiting assumptions and ignored alternative self-supply technologies. It further ignored the fundamental question as to what level of self-supply should be incentivized via the AESO tariff. The analysis was confusing and was further hampered by the statement that the different "efficiency impacts" are not comparable to each other, and by the report not providing any conclusions, and by the AESO not clearly articulating the purpose of the analysis. The NERA report also did not address the threat of additional load defection from on-site solar. As has been seen in many jurisdictions, roof-top solar has proliferated resulting in significant utility revenue erosion. The AESO's proposed tariff will likely shift end use distribution tariffs from demand to energy charges by about $9/MWh. This will make roof top solar for commercial and institutional customers about 10% more economic, leading to decreased AESO revenues and tariff price increases. ii. Regarding the AESO's analysis on the impact on the energy market of a $9/MWh variable energy charge, this change would be dwarfed by power pool prices that can change hour to hour by 100 times as much. The AESO analysis based on the removal of the 12 CP charge was an impact of about $10 million/year. If the 12 CP charge is

		reduced by about 50%, the impact could be about $5 million per year, which is about 0.15% of the annual power pool market value. The DUC submits that the tariff impacts, based the AESO's analysis, would be minimal. What the NERA / AESO analysis missed is the impact the proposed B&R tariff changes could have on on-site generation development and the resulting impact on power pool prices.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	The DUC is undecided on its position with respect to the proposed B&R rate design. The DUC would like to review the cost of service study and the proposed allocation of costs to energy methodology in detail. The DUC is of the view that the current tariff continues to be appropriate for Alberta, in both the near and long term.
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	The DUC submits that the AESO's proposed "allocation of costs to energy" design is untested and non-industry standard.
5.	How would you describe your level of support for the "flat energy charge" element of the design?	The DUC is generally unsupportive of the AESO's "flat energy charge" design. A flat energy charge eliminates demand shifting and demand curtailment as options and only leaves self-supply as an option to manage tariff cost increases. It further skews the self-supply option towards baseload-type generation.
6.	How would you describe your level of support for the "5-year average of 12-CP" element of the design?	The DUC is unsupportive of the AESO's proposed 12 CP rachet. This rate design seems unnecessarily complex and we fail to understand how it will provide an appropriate or meaningful price signal.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	The DUC's main concern is the significant costs and disruption the AESO's proposed B&R rate design has and will continue to impose on Alberta businesses and the economy. The cost impact on price responsive and high load factor customers seems unwarranted for the minimal price reductions small distribution customers will experience.

8.	Additional comments	Please see the DUC's letter to the AUC, filed as Exhibit 25175-X0140, for the concerns the DUC has with the AESO's B&R tariff development process. The DUC re-iterates its desire and willingness to work cooperatively with the AESO to investigate tariff design options that will not have significant and material impacts on the economic wellbeing of Alberta, including a stand-by tariff for cogenerators and/or a separate rate class for price responsive and/or interruptible load customers.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021 through June 10, 2021	**Contact:**	Gerald Zurek
Comments From:	EPCOR Distribution & Transmission Inc.	**Phone:**	780-686-1186
Date:	2021/06/04	**Email**:	gzurek@epcor.com

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	Yes, EDTI found the session helpful. Yes, session 6A provided additional clarity.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	EDTI has no outstanding questions.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	Somewhat supportive.
4.	How would you describe your level of support for the “allocation of costs to energy” element of the design?	Undecided.
5.	How would you describe your level of support for the “flat energy charge” element of the design?	Somewhat supportive.
6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	Somewhat supportive.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	EDTI is concerned that the relatively large energy charge could incent more customers to choose to self-supply to avoid the energy based transmission charge. EDTI is still unsure why the AESO chose an energy charge over a monthly demand charge based on the customer’s peak demand for the month. The use of a monthly demand charge should incent customers that are able to respond to price signals to generally lower demand and increase load factor thereby making more efficient use of the transmission system.

8.	Additional comments	EDTI would like to understand whether excess generation occurs (on some systems) at the same time as the AIES monthly coincident peak and/or at times of monthly peaks on systems in the same area as the systems with excess generation. This may suggest a link between times of excess generation and system peaks.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021 through June 10, 2021	**Contact:**	Kurtis Glasier
Comments From:	Heartland Generation Ltd. ("Heartland Generation")	**Phone:**	587-228-9617
Date:	[2021/06/10]	**Email**:	Kurtis.Glasier@heartlandgeneration.com

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	Heartland Generation found Session 6A, hosted on June 3, 2021, to be valuable. The session provided additional clarity and a better understanding of the analysis, which supports the preferred rate design. It was particularly helpful that the AESO economists and the NERA expert presented and answered questions during the stakeholder session.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	At this time, Heartland Generation does not have any outstanding questions on the analysis presented in these two areas.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	Somewhat supportive.
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	Somewhat supportive. Heartland Generation is concerned about the characterization of transmission costs being driven by generators on a regional basis. The generators at all times of operation are producing electric energy that is used to serve some portion of load in the province. A load that connects to the transmission system is given the opportunity in every hour to access the least cost electricity generated to meet load demand; the competitively offered merit order leads to allocative efficiency. The transmission system, by connecting all generation without risk of constraint/congestion (as required by the *Transmission Regulation*), is built to maximize this opportunity for load customers. Heartland Generation understands the preferred rate design accounts for this relationship in the demand vs. energy allocation; whereby, the demand allocation are the costs driven by capacity (that the system will accommodate each load's relationship to regional coincidence) and the energy allocation are driven by the opportunity for load to always be served by the cheapest form of generation at any time. Heartland Generation is curious if the billing determinants should be broadened to include regional peak measures as well. The AESO would retain the coincident peak charge to indicate a loads relationship with system demand. However, the energy charge could be shaped to reflect a loads impact on the regional peaks (e.g., peak gen). This would allow the tariff rate to reflect the fact that tariff costs are not flat in every hour but are informed by the relationship between regional loads and regional generation (see further comments below on the "flat energy charge").

5.	How would you describe your level of support for the “flat energy charge” element of the design?	Somewhat supportive. Heartland Generation suggests that the “flat energy charge” could be improved by shaping or profiling the costs to better reflect the cost of transmission in each hour. During the capacity market cost allocation discussions, a similar method of allocating generation capacity costs by ascribing different weights to different hours was used. A similar approach could be used to shape the energy charge based on the relationship between the utilization or stress of the transmission system varying throughout the day. Currently, it does not seem intuitive why the energy charge portion of the tariff would be equal during times of low utilization with abundant capacity and during times of system stress (not including the period of coincident peak). The AESO should explore the rudimentary shaping of the energy charge suggested above (e.g., using all regional peaks for all load customers), or some other method of profiling the energy charge to reflect differentiated system costs being driven in each hour. Inherently, shaping the energy charge portion of the tariff would allow a reasonable way of receiving an opportunity service tariff; a customer that utilizes the transmission system only during period of excess capacity, would receive a reduced effective tariff rate reflective of its decreased impact on transmission costs.
6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	Undecided. Heartland Generation understands the “5-year average of 12-CP” to lessen rate shock in the long run, by smoothing the effect of any sudden shift in load behavior from year to year. However, it would also appear that this would lead to a rate “stickiness”, whereby a load customer that changed its behavior in year two would have the impact of that change lessened by the averaging with other years. This may require the AESO to further include exemptions or waivers when a load customer has significantly changed its behavior/operations/configuration in one year to avoid a penalization period of five-years while the “bad years” roll off. The implementation of the 5-year average can make this rate “stickiness” worse, as a bad first year will have an inflated impact on the average until year five is observed (e.g., the first year carries the inherent weight of 50%, 33%, 25%, and only reaches the normalized 20% impact in year 5 of implementation). Does the AESO expect load behavior to fluctuate year-over-year to the extent that a rate smoothing mechanic is necessary? Otherwise, it seems this mechanism would create a disincentive to load customer from making improvements year over year in reaction to the tariff. In the most extreme of cases a load customer could receive a rate for five years that is not reflective of its impact on system costs in any of those five years, and only representative of its average impact over those five years; this would result in a load customer performing to its five-year average rather than trying to lower costs and enhance savings in the future.

7.	Are there other elements of the design you support or have concerns with? Please be specific.	Heartland Generation remains concerned about the broader context of a tariff design at this time, with so many uncertain policy issues. It will likely need to be examined how the preferred tariff design will impact or be impacted by: the forthcoming *Transmission Regulation* expiry (and possible fulsome review), the outstanding policy direction and/or legislative changes regarding self-supply and export, the alignment of transmission and distribution interconnections/tariffs, and the distributed generation credits methodology. There is a massive confluence of related and impactful changes in the electricity industry, and the timing due to operational/commercial pressures from COVID-19 could not be worse.
8.	Additional comments	Heartland Generation does not have additional comments at this time.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021 through June 10, 2021	**Contact:**	Vittoria Bellissimo
Comments From:	Industrial Power Consumers Association of Alberta (IPCAA)	**Phone:**	403 966 2700
Date:	2021/06/10	**Email**:	Vittoria.Bellissimo@IPCAA.ca

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	(i) The Session was useful. It would have been helpful to present the NERA analysis before the AESO settled on their preferred rate design. (ii) There was some additional clarity.

2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	IPCAA has the following outstanding questions: • Has the AESO looked at the efficiency loss associated with a flat energy charge instead of a shaped one? • Did the AESO look at the distribution of congestion or forecasted congestion hours in all of the areas when the transmission was built? Is it flat? • How do the CTI projects fit within the explanation that NERA has provided? • Can you let us know if you will use a forecast or historical actuals for the energy/demand split? Also, will major transmission changes trigger an allocation change? Note that this question was answered during the webinar; however, the concern is that if we build a significant transmission addition and the energy/demand allocation does not change at all, how can we ensure we are basing the allocation on cost causation? • Can the AESO elaborate further on its use of gross peak load and peak generation instead of net? (slide 18). • Because of the considerable transmission overbuild, should the AESO start by determining the actual minimum system needed for current demand and generation, the costs for that minimum system and then apply this preferred rate design methodology? Then the AESO could examine an appropriate methodology for the costs of the system built for future use. • Is the longer-term plan to allocate the energy charge component of the rate design to generators via a change in the Transmission Regulation? The AESO's preferred rate design energy charge is flat; however, if charged to generators they would likely shape that charge to better reflect demand. • These charges will not translate through to distribution rates. Is the AESO taking this into consideration in its analysis? The majority of customers only see distribution tariffs.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	e) Not supportive
4.	How would you describe your level of support for the “allocation of costs to energy” element of the design?	Not supportive
5.	How would you describe your level of support for the “flat energy charge” element of the design?	Not supportive
6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	Not supportive. Key concerns include: (1) understanding of this element is low; (2) initial years receive a much higher and sustained weighting, which could discourage innovative investments.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	IPCAA supports the 12 CP portion of the rate design; however, we are concerned that the level of 12 CP has been drastically reduced.

8.	Additional comments	• The AESO's and NERA's analysis uses load and price data from 2018 and 2019. With the return of the Power Purchase Arrangements (PPAs) on December 31, 2020, generator behavior and price outcomes have markedly changed in Alberta. The energy market is pricing in a substantial premium over marginal cost generation. In combination with increasing carbon prices, industrial sites have a very strong signal to self-supply. IPCAA would recommend that NERA re-estimate the amount of self-supply in response to the AESO's Preffered Rate Design using updated market information. • NERA's analysis does not account for enhanced self-supply from using heat and / or steam in industrial processes other than a reference in paragraph 23 of its report. IPCAA recommends that NERA update its analysis to include the substantial amount of industrial load that would be incented to self-supply due to its industrial processes. • Typically, reports such as the NERA Report, are released in advance and are used to inform decision making rather than to justify decisions that have already been made. Was the NERA Report commissioned and delivered ahead of the AESO's endorsement of its preferred rate design? • The AESO has provided an analysis of market efficiency losses and gains for the preferred rate design. Did the AESO conduct a range of efficiency analysis across various options? If such analysis has been done and is available, can the efficiency analysis for the various options be provided to stakeholders? • The AESO's efficiency analysis used the complete removal of the coincident peak charge (slide 56) and then determined an efficiency gain of approximately $10 M per year. Since the preferred rate design reduces the the CP charge by only ~40%, any efficiency gains should be markedly less. Can the AESO provide a more accurate analysis?

		• The AESO should provide their detailed analysis supporting the demand / energy classification. Customers are interested in understanding this analysis. In order to be both efficient and transparent, this should be done in short order.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021 through June 10, 2021	**Contact:**	Sharmen Andrew
Comments From:	MATL Canada and MATL LLP (MATL)	**Phone:**	403-818-0058
Date:	2021/06/10	**Email**:	sharmen.andrew@bhe-canada.ca

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	The webinar and presentation were both valuable and provided additional clarity.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	MATL is seeking to understand the impact of the preferred rate design on export opportunity services (i.e., XOM/XOS) and other impacts to MATL and its customers.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	Undecided
4.	How would you describe your level of support for the “allocation of costs to energy” element of the design?	Undecided
5.	How would you describe your level of support for the “flat energy charge” element of the design?	Undecided
6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	Undecided
7.	Are there other elements of the design you support or have concerns with? Please be specific.	MATL has a general concern that the preferred rate design may adversely impact export charges and seeks to better understand the impacts on MATL and its customers.
8.	Additional comments	

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021	through	June 10, 2021	**Contact:**	Horst Klinkenborg
Comments From:	Suncor Energy Inc			**Phone:**	(403) 819-7125
Date:	2021/06/10			**Email**:	horst.klinkenborg@suncor.com

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	(i) Suncor did not find the session particularly helpful. The analysis was lacking a clear purpose, assumptions were overly limiting, and the results were non-comparable. (ii) Suncor's understanding of the AESO's preferred rate design has not improved as a result of the session.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	i. Suncor did not find the analysis helpful. Whether there is an increase in self-supply (under certain assumptions) is not relevant. Whether the design incentivizes an appropriate level of self-supply, demand shifting and demand curtailment is relevant but wasn't analyzed. ii. Suncor did not find this part of the session helpful. The analysis was lacking a clear purpose, was confusing, and did not lead to any conclusions.

	Questions	Stakeholder Comments
1.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	Suncor remains undecided with regard to the preferred rate design. So far the explanations in support of the design have been unconvincing.
2.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	While there may be some merit to allocating a higher portion of costs to energy, Suncor is not convinced of the rationale or the detemination of the proportion.
3.	How would you describe your level of support for the "flat energy charge" element of the design?	Suncor is not supportive of the "flat energy charge." A flat charge is distortive and counter to cost causation.
4.	How would you describe your level of support for the "5-year average of 12-CP" element of the design?	Suncor is not supportive of the "5-year average of 12-CP." The calculation introduces unnecessary complexity for no apparent purpose.
5.	Are there other elements of the design you support or have concerns with? Please be specific.	Suncor is still trying to understand the rationale behind the components of the AESO's preferred design as well as to why the design is supposedly an improvement over the current rate design.
6.	Additional comments	Suncor is concerned that the AESO introduced a brand new rate design shortly before the filing deadline and that industry is now limited in its ability to consult on this design. In light of this, as well as the uncertainty around self-supply and transmission policy, a tariff filing based on the existing design seems more appropriate. This would create time to receive policy clarity and allow stakeholders to fully evaluate the appropriateness of this novel design.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021	through	June 10, 2021	**Contact:**	Mark Thompson
Comments From:	TC Energy Corp. (TCE)			**Phone:**	403-589-7193
Date:	2021/06/10			**Email**:	markj_thompson@tcenergy.com

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	TCE appreciates all opportunities for stakeholder consultation.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	While TCE appreciates the AESO's initiative to estimate the self-supply response resulting from its preferred rate design, the analysis performed by NERA was inadequate and insufficient. It would have been preferrable for the analysis to have been performed by an independent third-party rather than the same party that developed the rate design being tested. Unfortunately, the analysis did not accurately reflect the self-supply technology that would most likely be developed and did not include the potential increased use of existing self-supply. Accordingly, TCE does not have much confidence in the accuracy of the analysis and the question of the self-supply response remains unanswered.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	Somewhat not supportive.
4.	How would you describe your level of support for the “allocation of costs to energy” element of the design?	Somewhat not supportive.
5.	How would you describe your level of support for the “flat energy charge” element of the design?	Not supportive.
6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	Not supportive.
7.	Are there other elements of the design you support or have concerns with? Please be specific.	Please refer to the comments submitted by TCE in prior stakeholder engagements.
8.	Additional comments	TCE has no further comments at this time.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021	through	June 10, 2021	**Contact:**	Luis Pando
Comments From:	TransAlta Corporation			**Phone:**	(403) 267-3627
Date:	2021/06/09			**Email**:	Luis_Pando@transalta.com

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	***The session was valuable and provided more information behind the proposed changes but the comment deadline was too short*** TransAlta appreciates the clarity provided with NERA's report and the AESO presentation. While the session provided an opportunity to understand and test the rationale used by the AESO and NERA, the deadline set for stakeholder comments was too short, and deprived stakeholders from the opportunity to carefully consider the information and craft thoughtful responses to assist the AESO. By rushing the engagement process and not adequately answering many stakeholders' questions and the Alberta Utilities Commission's information requests which pushes these issues to be dealt with later in the tariff proceeding. We view this as an undesirable outcome. The purpose of the delay in filing date to October should be to enable a fulsome stakeholder engagement process so that the regulatory process can be as efficient as possible. We recommend the AESO follows additional process to address all outstanding issues raised during the consultation and explain the reasons behind leaving out certain topics. In addition, the session could have benefitted from more analysis of the estimated efficiency losses and gains.

2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	***The methodology used to classify transmission costs between demand and energy is vague and not fully justified*** We have concerns with the definition of minimum versus actual system as it seems arbitrary and unsubstantiated. While the "minimum system" appears to be an engineering concept the methodology does not appear to account for possible changes in load or generation in the future, nor adequately reflects the big transmission build that occurred as a consequence of policy (Critical Transmission Infrastructure) which is not based on cost causation. In addition, we are unsure whether the regional perspective is truly a fair representation of a "minimum system" at a system level. We still have several questions about this new methodology that we wish the AESO to address: • Is generation adjusted to factor in the capacity factor of the resource or all installed MW accounted for in the same manner (e.g. 1 MW of solar is the same as 1 MW of gas)? • Installed generation capacity is typically greater than demand in order to ensure resource adequacy is met (generation capacity needs to provide a reserve margin). Doesn't this methodology therefore suggest that at a system level (where generation will be greater than demand) the transmission system is always in excess of the "minimum system"? • If a region has a retirement of a generating unit such that it becomes a region that imports power, does that translate into a reduction in the energy charge and an increase in demand charges? (Wouldn't a change in flows indicate greater use of the bulk system and be directionally misaligned with the change in energy charge?) ***We agree with NERA that the transmission tariff should be cost reflective and provide price signals that encourage efficient self-supply decisions and discourage inefficient self-supply by customers*** The assumption that less self-supply will be installed in the future due to future changes in carbon tax and gas prices, and the reliance of the study on self-supply that only considered gas generation (when it is more likely a scenario of increased solar and wind and other hybrid resources) needs to be tested. We note that the legislative framework and its restrictive

		exemptions for self supply are a key reason for more limited adoption of self supply (not the tariff). We also understand that the Government may be considering changes to the legislative framework that could include unlimited self-supply and export and if the legislative framework is changed we expect that there could be significant more self-supply in the future. To address this concern, we recommend the AESO update its own delivered cost of electricity report under the preferred rate design to test if self-supply and export would still be more economic than receiving power from the grid. This will allow the AESO to demonstrate that the estimate of limited self supply is fair and reasonable assumption. ***The AESO should take the opportunity to test their assumptions about load response to the preferred rate design by surveying load customers participating in this consultation*** The AESO is assuming low self-supply investments and low grid defection, all of which is uncertain, as these assumptions are highly dependant on how load customers will respond to the tariff changes. The AESO argues the increase in the energy charge creates a negligible impact due to the alleged positive gains that result from reaction to the 40% reduction in the 12 CP charge. Given that this consultation includes many of those load customers, canvassing customers about how they will likely respond to the preferred rate design would provide useful information to test these assumptions.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	***TransAlta is undecided because it is not clear that the new allocation methodology is a fair and reasonable way to redesign the bulk and regional tariff rates*** The preferred rate design represents a significant change in cost allocation which should clearly demonstrate an improvement from the current methodology. In addition to the concerns with the concepts of a "minimum" versus "actual" system, we do not have enough information to assess whether this new categorization of costs between energy and demand is reasonable or fair and we question how it will be applied consistently when the conceptual underpinning appears so arbitrary. This deemed difference between the "minimum" versus "actual" system implies a concept that there is "excess" infrastructure. We do not find these concepts to be helpful particularly when it is applied at a regional level. A minimum system is one that allows for the efficient transmission of generation to all load customers in the system (irrespective of which region they are in). The AESO must balance supply and demand and be certain that there is enough generation and transmission capacity to meet demand at all times. We are unclear how the regional view to categorize costs between energy and demand contributes to a better allocate transmission costs.
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	***The allocation of significant costs to the energy component provides a poor signal to consumers*** TransAlta has concerns about a design that would increase the energy charge by 5 times its current level. We are concerned that such a high energy charge could drive conservation behavior when we should be providing a signal for greater use of the transmission system (i.e. during off-peak hours). We question whether so much of the bulk and regional system cost is truly caused by the amount of energy that a customer consumes.

5.	How would you describe your level of support for the “flat energy charge” element of the design?	***The concerns raised about the flat energy charge have not been addressed*** NERA argues that recovery of fixed transmission costs based on “avoidable” charges aligns with cost causation because an embedded cost methodology recovers the costs associated with the long-run drivers. We do not agree with NERA’s conclusion. NERA has not addressed any of the concerns raised about the flat energy charge including: • Concern that fixed costs recovered on variable charges is not aligned with cost causation and would send inefficient price signals. • Concern that the flat energy charge is not consistent with time variation in use of transmission and would not send efficient price signals • Concern that “penalizing” high load factor customers who use transmission efficiently not aligned with sending efficient price signals. • Concern about impacts on long-term response, incentives for self-supply and cost shifting.
6.	How would you describe your level of support for the “5-year average of 12-CP” element of the design?	***A 5-year average may address billing determinant erosion but there are other approaches that should be explored*** We understand that averaging forces customers to show a consistent and more predictable response and may better align with transmission planning. The use of a 5-year average of monthly coincident peak could address the concerns about erosion of billing determinant but it does so at the expense of rewarding customers more promptly (within the billing period) for their behavioral response. In this respect, we question whether 5-year averaging and monthly coincident peaks is the right design. If the design is already using averages, we question whether the averages should be of 12-CP or rather an average of only those periods (winter and summer) that drive transmission builds would be more appropriate. We also question why a 5-year period was selected and ask the AESO to consider shortening the period. We ask to see analysis that considers 1, 2, 3, 4 and 5 year averages to understand the merits of using different periods length and the potential impacts on the tariff design.

7.	Are there other elements of the design you support or have concerns with? Please be specific.	We are concerned about the AESO proposed classification step before the functionalization of costs. As stated above, we are not compelled by the rationale and analysis provided to date about this step to distinguish between energy and demand costs. Moreover, the results in terms of the proposed tariff design associated with this new approach are a significant departure from the existing design and send the wrong signals.
8.	Additional comments	We are concerned that the preferred rate design does not provide efficient price signals for loads to use the transmission system.

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

Stakeholder Comment Matrix – May 27, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 6A

Period of Comment:	May 27, 2021 through June 10, 2021	**Contact:**	Megan Gill
Comments From:	The Office of the Utilities Consumer Advocate	**Phone:**	403.819.5383
Date:	2021/06/07	**Email**:	Megan.Gill@gov.ab.ca

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 10, 2021**.

The AESO is seeking comments from Stakeholders on Session 6A. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	(i) Please comment on Session 6A hosted on June 3, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful? (ii) Did you come out of Session 6A with additional clarity and a better understanding of the preferred rate design?	i) The session provided the UCA with somewhat of a better understanding of the cost allocation rationale behind AESO's preferred rate design. ii) While the UCA has a better understanding behind the AESO's desire to adopt a minimum system approach and increase the amount of transmission costs recovered through an avoidable energy charge, significant questions around the economics of self-supply decisions, incentives, and long term outlook remain. The NERA study does not provide convincing answers on these critical issues. iii) The questions asked at the session and in these comments are more of the nature of post-filing information requests than pre-filing clarifications of design intent.
2.	Do you have any outstanding questions with the preferred rate design following the additional information provided in the following areas: i. Response to incentives under the preferred rate design (e.g., assessment of self-supply response) ii. Impact on wholesale energy market	i) Given that the AUC has acknowledged that a number of the self-supply generating units (cogen) in Alberta serve oil and gas facilities, the UCA would like to understand why the AESO used only the less efficient ACE and RICE technologies when estimating customer response to the recommended tariff. In addition, the UCA would like to understand why the AESO decided to publish a study using an average 2020 pool price of $49.39/MWh (given that 2020 was heavily influenced by the pandemic and average daily pool price in 2021 YTD is $96.44/MWh) instead of a forecasted pool price when analyzing the current and future economics of self-supply under the existing and proposed tariff structure.

	Questions	Stakeholder Comments
3.	How would you describe your level of support for the overall preferred rate design? a) Supportive b) Somewhat supportive c) Undecided d) Somewhat not supportive e) Not supportive	The UCA is somewhat supportive of the overall preferred rate design as it is estimated to save residential, farm, and small business consumers between 2-5% of their transmission charges. However, the UCA believes there are still some areas which the AESO should consider to improve its preferred design to deter market participants from grid defection and uneconomic bypass in the future. • The AESO should consider gross metering instead of net metering provisions mandatory for generators with industrial system designations (ISDs). • The AESO should recover significantly more costs using NCP charges and reduce the amount recovered using avoidable energy charges.
4.	How would you describe your level of support for the "allocation of costs to energy" element of the design?	While the UCA has a better understanding of the AESO's justification for increasing the cost recovered through an energy charge under the preferred rate design, it is still unclear why the billing capacity allocation was reduced from 22% to 17%. The UCA still supports the consideration of NCP demand charge cost recovery and believes the AESO should consider modifying this determinant to improve the rate design.
5.	How would you describe your level of support for the "flat energy charge" element of the design?	The UCA is supportive of the AESO's intent behind the application of cost causation principles in using a minimum system approach to identify transmission costs associated with the flow of in-merit energy. However, UCA believes a better alternative to recovering such in-merit constraint removal costs through avoidable energy charges would be to recover them thorugh an NCP demand charge instead.
6.	How would you describe your level of support for the "5-year average of 12-CP" element of the design?	
7.	Are there other elements of the design you support or have concerns with? Please be specific.	

8.	Additional comments	The comment was raised by NERA that the intent of the preferred tariff design is to yield efficient outcomes, even if those lead to the pursuit of self-supply options by customers looking to avoiding transmission costs as reflected in the tariff. So, if increasing the energy charge allocation drives more load customers to deflect from the grid and self-supply, this can be considered efficient and subsequently considered an acceptable outcome. The UCA is concerned that a tariff that further incents self-supply and grid defection will result in further cross-subsidization between rate classes, especially between those that do not have the option to self-supply and how a disproportionate amount of the transmission cost recovery burden may inadvertently be placed on consumers who cannot move off the grid. In other words, price-regulated transmission rate design in particular is at least as much about fairness of cost recovery from captive customers as it is about providing efficient price signals concerning generation choices. The balancing of Bonbright principles still apply.

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