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February 14, 2020

Alberta Utilities Commission
1400, 600 Third Ave S.W.
Calgary, AB T2P 0G5

Attention: Mr. Trevor Richards
Engineer, Facilities Division

Re: AUC Bulletin 2020-01 Exploring Market Concerns and Tariff Issues Related to Self-Supply and Export Reform

Dear Mr. Richards,

On January 9, 2020, the Alberta Utilities Commission (“AUC” or “Commission”) issued Bulletin 2020-01, *Exploring Market Concerns and Tariff Issues Related to Self-supply and Export Reform*. This bulletin summarized the feedback the Commission received in response to Bulletin 2019-16 in which stakeholders were asked to comment on three options for addressing the issue of self-supply and export.¹ The Commission, in Bulletin 2020-01, is now inviting stakeholders to provide further comments on the feedback it received.

In its response to Bulletin 2019-16, ENMAX Corporation (“ENMAX”) recommended that the Commission defer any decision on the self-supply and export issue until the technological landscape and Government of Alberta’s (“GOA”) policy goals are clearer. ENMAX continues to hold this view. Recommendations to amend the legislative framework to address self-supply and export are premature and should not be done without a clear understanding of the impacts to all segments of the electricity sector.

There is Insufficient Information to Make a Recommendation

Although many stakeholders have provided feedback on the options presented by the Commission, ENMAX notes that these responses reflect the specific interests of these stakeholders (i.e. a generator or a transmission facility owner (“TFO”)).

¹ Decision 23418-D01-2019; Decision 23756-D01-2019; Decision 24393-D01-2019; Decision 24126-D01-2019.

ENMAX is a generator, a TFO, a Distribution Facility Owner, a Regulated Rate Option provider, and a competitive retailer. As such, ENMAX is an active participant in all segments of the Alberta electricity sector. As noted above, any recommendation will result in impacts to, and trade-offs between, these segments. Given the interdependencies across these segments, assessing the trade-offs is a complex undertaking and ENMAX does not believe there is currently enough information to provide a recommendation.

Since releasing Bulletin 2019-16, the Commission has initiated the combined Module 2 and 3 of the Distribution System Inquiry (“DSI”) which will explore the impact of technology such as distributed generation on the electricity sector. The issue of self-supply and export will be considered in the Alberta Electric System Operator (“AESO”) 2020 ISO Tariff Application (“ISO Tariff”) engagement process.²

ENMAX strongly believes that the appropriate time to recommend changes to the treatment of power plant self-supply and export is after the conclusion of the DSI and the ISO Tariff consultation. It is at this time that all parties (including policy makers) will have a more complete understanding of the issue and impacts to all segments of the electricity sector now and in the future.

A Recommendation Should Reflect Government Policy

The Commission has determined that the choice of how to treat on-site generation may require a legislative change. ENMAX accepts that the regulatory and legislative framework must evolve. However, as indicated in its previous submission, ENMAX does not see value in selecting an option without knowing the form and extent of changes that the GOA is prepared to implement.

Any recommended legislative changes must be consistent with the overall objectives of government policy regarding wires infrastructure development, technology innovation, and the development of distributed and industrial generation.

Moving forward with a recommendation or “solution” for the self-supply and export issue, without a clear understanding of the future policy direction, contributes to a greater level of regulatory uncertainty and will affect investor confidence. Investment requires a stable and predictable regulatory framework. Frequent and unpredictable changes will be harmful to consumers in the long run.

ENMAX believes policy direction is required from the GOA in order to determine the objective of any recommendation pertaining to treatment of self-supply and export. ENMAX is of the view that the Commission should provide feedback to the GOA that clear policy objectives are required in order to determine which regulatory and legislative framework will produce the most efficient behaviours and outcomes.

² The AESO estimates completing the 2020 ISO Tariff engagement and filing the 2020 ISO Tariff in Q3 2020.

In summary, a robust policy direction from the GOA that sets clear objectives is required in advance of recommending a change to the regulatory and legislative framework. ENMAX encourages the Commission (and the GOA) to rely on the outcomes of the DSI and the ISO Tariff consultations when considering potential changes to the regulatory and legislative framework. ENMAX is concerned that a separate consultation on this issue could result in inefficient outcomes and will contribute to regulatory burden.

If you have any questions or concerns, please contact me at (403) 514-2731 or at jtaylor@enmax.com.

Sincerely,

(Original signed by)

Janene Taylor
Director, Regulatory Applications
ENMAX Corporation