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Submitted via email: trevor.richards@auc.ab.ca

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RE: Comments on Self-Supply (AUC Bulletin 2019-16)

BACKGROUND

The Canadian Solar Industries Association (CanSIA) is a not-for-profit membership-based national trade association for the solar energy industry throughout Canada. CanSIA's mandate includes engaging in policy development and regulatory affairs activities in Alberta in order to support a growing role for solar energy in the province's electricity supply mix. CanSIA thanks the Commission for the opportunity to provide feedback on this issue and submits the following comments in support of the need to amend legislation in order to allow self-supply generation plus export.

CanSIA is a member of the Community Generation Working Group (CGWG). In their Module One submission to the AUC's Distribution System Inquiry, the CGWG raised the importance of this matter by stating¹:

19. The following challenges pose critical uncertainties to otherwise economic and competitive business cases: g. **Uncertainty with Injection of Electricity to the Grid** – With respect to EPCOR's recent application for a 12 MW solar facility, the AUC recently released a decision stating that generation located at customer sites cannot export to the grid unless it falls under an Industrial Site Designation or Microgeneration Regulation, which is seen as a reversal of previous policy (AUC Decision 23418). The essence of the decision is that solar generation located on a customer site can only produce energy to the extent it is entirely consumed onsite and raises potential need for forfeit of a generator's capabilities, affecting economics.

¹ Exhibit 24116_X0181

SELF SUPPLY WITH RENEWABLE GENERATION

Alberta is in the process of reducing the carbon footprint of its electricity system and industry more broadly, and onsite generation in the form of renewables will be an important part of this process. While CanSIA understands that the Micro-Generation Regulation allows renewable projects up to 5 MW to self-supply plus export, this excludes more efficient larger projects from meeting this market need.

1. Clarity is required

CanSIA is unclear whether there is a prohibition on self-supply with export, or self-supply generally. For example, is it acceptable within the new AUC interpretation to site a 15 MW solar facility at a 20 MW load and supply that load directly? Does approval for self-supply require that exports will never occur, or simply that they are not planned to occur? Clarity on what type of configuration will be approved is necessary to allow the industry to develop.

2. Efficient solutions must be incented

The current framework, as articulated, discriminates against projects greater than 5 MW. Given that there are economies of scale, and large projects can be accommodated on many industrial sites, it is unclear what the rationale is for setting a 5 MW limit in terms of self-supply with export.

3. Prohibiting self-supply with exports addresses a potential tariff issue with an overly broad solution

CanSIA understands the range of self-supply options currently available may not have been contemplated when the legislation was put in place. Nonetheless, it is not reasonable to simply prohibit self-supply in response. Consultation on appropriate rules and tariff treatment is absolutely warranted to ensure efficient outcomes can be delivered by the legislative framework.

CanSIA strongly supports Option 3 presented in AUC Bulletin 2019-16² in order to allow maximum flexibility in the market. This will ensure Alberta continues to have a vibrant electricity sector that encourages innovative and low-cost solutions to meeting site and market requirements. The prohibition of self-supply with export recently enacted will serve to stifle investment and lead to inefficient long-term outcomes. In addition, it is vital that further clarity is provided on the new interpretation prior to legislative changes in order for projects to progress without taking the risk of being denied.

² **Option 3:** Unlimited self-supply and export – this requires a change to the statutory scheme and may require changes to existing transmission and distribution tariff structures.



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Thank you for your consideration of these comments. We look forward to next steps.

Sincerely,

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