Bulletin 2023-05

February 28, 2023

Updates to the Licensee Capability Assessment

On February 13, 2023, we issued *Bulletin 2023-4: New Editions of Directive 088 and Manual 023*, providing notice that the licensee capability assessment (LCA) and the technology that underpins it would be updated in early March. This update will happen on March 1, 2023. Significant updates include the following:

- Parameters that use "three-year" history data have been changed from calendar years to a 36-month sliding window. As a result, parameter values will update every month rather than annually.

- The peer group ranking methodology has been changed from "unique per cent" (grading on a curve) to "differential" (which compares absolute performance more directly; details in the release notes).

- "Null" data points are now handled better.

  – Resolves the issue where licensees without data have been incorrectly given a score of zero for the affected parameter.

  – "Roll-up" parameter scores that include "null" data are now calculated using non-null parameter scores only and then scaled using the sum of the weightings of the non-null parameters.

- The user interface now shows "Overdue" if the financial statements required under *Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals* have not been received within 180 days of the licensee's financial year end.

A complete list of all changes can be found in the LCA tool release notes; these changes are supported by updates to *Manual 023* released February 13, 2023.

The licensee capability assessment is part of the holistic licensee assessment described in *Directive 088: Licensee Life-Cycle Management*. Additional information about the LCA, including parameters, can be found in *Manual 023: Licensee Life-Cycle Management*. If you have questions about the licensee capability assessment, contact our Customer Contact Centre by phone at 1-855-297-8311 or by email at inquiries@aer.ca.