

**July, 2006
Micro-generation
Stakeholder Comment Form**

Comments From: SIMMARIX Inc
Date: 2006 August 9
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1. If a Micro-generator (less than 150kW in size and exports less than 25kW to the AIES) wishes to connect to the distribution system, but does not wish to receive payment for exported energy:

The AESO will not require visibility of the generator, therefore, the DGO will not be required to become a Pool Participant Support
 Oppose
 Indifferent

Reasons for Stakeholder Position: If Distributed Generation ever became prolific, at some point there could be enough generation to impact settlement zone accuracy. There may come a point in time where visibility is a must.

An individual DGO may not want to become a Pool Participant, but a group of DGOs may aggregate together and maybe very interested in becoming a Pool Participant.

The DGO will submit a Generator Asset Addition form and a SLD, and an Asset ID will be assigned Support
 Oppose
 Indifferent

Reasons for Stakeholder Position: (Assumed SLD = Single Line Diagram?) This comment is made on the assumption that after making the investment, a DGO would like to take advantage of any opportunity to recover some of their investment. Based on that, if they are become an AESO participant, then the AESO and others would like to have a SLD.

Again based on opening comment, an asset id is must for tracking and monitoring purposes.

The distribution wires companies for safe operating procedures requires a visible disconnect for generators to ensure there is no back feed in instances were the distribution companies wires system is down for maintenance or other reasons. The DISCO's would likely require a SLD, so making another copy for AESO is not onerous.

The DGO will *not* receive payment for energy that is exported to the AIES Support
 Oppose
 Indifferent

Reasons for Stakeholder Position: This comment is made on the assumption that after making the investment, a DGO would like to take advantage of any opportunity to recover some of their investment.

Having said that, some of the smaller DGOs may not be in the position to make the additional investments to become an AESO participant and install the required bi-directional metering equipment. These types of generators fall into two categories: 1) end use customers with smaller generators are making investments in these types of installations because the environmentally conscious or green and lack the technical capabilities to manage the net settlement processes and 2) generators are installed to serve as back up where, if they can, end-use customers will recover some of their investment costs by selling excess energy and they have the technical savvy to net settle.

Either group should/can be allowed to generate revenue for themselves. Again, suggest that a working group be struck to look into ways to reduce or eliminate some of these cost barriers. Perhaps aggregation of DG by an LSA who would manage the data, settle with AESO, settle with LSAs and allocate revenues back to generator would be an approach.

Generation metered data (DSM) files will not be provided to the AESO or the LSA

- Support
- Oppose
- Indifferent

Reasons for Stakeholder Position: This is for the regulators to decide. However, given the number and types of DG facilities is likely to increase over the coming years, if it ever got to the point where the AESO or LSA did require the data, why not utilize existing transaction types.

Given the potential for significant increases in the numbers of DGOs, does any regulatory body want to deal with a large number of transactions? Again, aggregation and management through a single reporting agent maybe the way to proceed.

In the event that energy is exported to the AIES, it will not be accounted for by the Pool or the Load Settlement Agent.

- Support
- Oppose
- Indifferent

Reasons for Stakeholder Position: Again, since the number of DGs is likely to increase, it could get to the point of creating a settlement zone inaccuracy. Under the scenario were one agent could settle on behave of DGOs, this single agent could net settle by the currently established settlement zones.

Metered generation cannot be used to offset the metered load data.

- Support
- Oppose
- Indifferent

Reasons for Stakeholder Position: Do not see why "netting" should not be allowed. Currently, large generators can be loads when taking station service, do not see the difference. Customers are either net takers or suppliers.

The market could allow "net" settling financials based on a billing period that may or may be related to meter read cycle. This can be accomplished through existing business processes and transactions.

The DGO, WSP, and the AESO must be in agreement of this option, and provide an executed letter to the AESO.

Support
 Oppose
 Indifferent

Reasons for Stakeholder Position: Would suggest a market committee be struck to discuss all issues pertaining to DG

Option 2. If the DGO wishes to receive payment for energy exported to the AES, the following will apply: (no changes to the existing rules)

The DGO must become a Pool Participant and follow all ISO Rules accordingly.

Support
 Oppose
 Indifferent

Reasons for Stakeholder Position: A DGO could elect to become a participant, but if the scenario of aggregation was developed, the DGO could work inside an organization that is registered with AESO as a participant

Interval Metering is required, per 4.6.1(b) of the SSC.

Support
 Oppose
 Indifferent

Reasons for Stakeholder Position: In order to be settled as accurately as possible a bi-directional interval meter would be required. Cost on installing the required metering equipment maybe an issue for some DGOs. A clear concise metering policy needs to be established early in the game. Allowing wires companies to set metering practices by area of operation leads to a variety of solutions requiring either a mathematical or IT solution to interpret and transfer the metering data being supplied.

Again, encourage setting up a committee to investigate all potential issues surrounding DG.

If a DG meets the requirements per 4.6.1(b)1, it is exempt from having an interval meter.

Support
 Oppose
 Indifferent

Reasons for Stakeholder Position: DGOs can change facilities through time or the intended purpose of the facilities may change. Since it difficult to predict future states, an exemption may only be applicable for an instant in time only.

Again, this comment is made on the assumption that after making the investment, a DGO would take advantage of any opportunity to recover some of their investment.

Data must be provided to the AESO and the LSA in accordance with App. B, Section 3 of the SSC for every 15 minute interval during the month, in the DSM format described in B.6.2.4.2 of the SSC.

- Support
- Oppose
- Indifferent

Reasons for Stakeholder Position: Keep everything in current standard transactions; this will make market operations smooth. Stay away from inventing new transactions or allowing a certain segments to “do there own thing”, makes it very difficult to integrate into existing business processes. Not creating standardization in a market place leads to expensive one of solutions or work rounds. There is a need to minimize costs to reduce barriers of entries and keep standardization to reduce the number and types of interfaces required to get set up in the market place.

See comments in next section as well as they support the logic in having an interval meter.

In the case of a cumulative meter, the data from the monthly meter read must be distributed across every 15 minute interval during the month.

- Support
- Oppose
- Indifferent

Reasons for Stakeholder Position: Difficult to impossible to profile a generator. Micro Generators, depending on technology, do not run continuously, so they are not consistently a net generator or net load. A cumulative meter would provide only one number a month, either net gen. or net load. Can not discern when they were generating and when they were a taker. A generator will argue that were generating at max price etc. To avoid this type of confusion or potential gaming, if the DG is going to sell kWhs, they must have an interval meter to be settled as accurately as possible.

Again cost could be an issue and would encourage setting up a committee to investigate.

General Comments:

It is our opinion that all DGO's would like the opportunity to recover some of their investment in the DG given that they can and that they have the opportunity to do so. The costs to do so will be an issue for DGOs, after the investment in the DG itself, they are faced with fees to become a pool participant and then trading charges (assuming they would following the same existing business processes and operating rules). While some DGO's will be willing to make the time and money investment to become a pool participant, most likely would not. Creating some kind of separate centralized clearing house for DGO's seems like a reasonable approach. Under the type of approach, the centralized agent would create summarized data by settlement zone; this would minimize the impacts on load settlement and AESO processes.

Please return this form with your comments by August 11th, 2006, to:

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