

AESO Discussion Paper – Alberta Demand Response Initiatives  
Stakeholder Comment Matrix  
**Utilities Consumer Advocate (UCA)**

Section	Subsection	Stakeholder Response
<p><b>2.0 Demand Response Policy and Background</b></p>	<p><b>2.3 Demand Response Principles</b></p> <ul style="list-style-type: none"> <li>a. <b>Remove Barriers</b></li> <li>b. <b>Symmetric Rules</b></li> <li>c. <b>Product Design</b></li> <li>d. <b>Price Fidelity</b></li> </ul>	<ul style="list-style-type: none"> <li>• The UCA recognizes that the AESO’s framework for discussion is the current market policy and underlying principles. In that context, the existing market price is by design the only signal load could turn to as input into curtailment protocols.</li> <li>• Between the policy and principles set out, the options for achieving any significant change in DR seems very limited, at least in the energy market (there may be some opportunity in reliability products once the need for ramping (“wind following” is better achieved. It is disappointing that a further limitation beyond policy and market principles is that even if a change fits within the policy and principles, it would not be considered if it represents a change to existing market design: <ul style="list-style-type: none"> <li>“Although a must bid, must comply model is consistent with the principle that supply and load should face symmetrical rules, this represents a significant departure from the current market design and is beyond the scope of this discussion paper.”</li> </ul> </li> <li>• The discussion paper provides no analysis of the potential impacts of broader changes, especially given the nature of the Alberta market merit order, nor any indication that this is reasonable beyond the comments about the performance of the existing market.</li> <li>• The comparison of the amount of existing DR load in Alberta to other jurisdictions is not helpful; given the extremely high volume of large industrial load and a very high load factor</li> </ul>

		experienced in Alberta relative to other jurisdictions, one would expect differences in DR in any event.
<b>3.0 Energy Market Initiatives</b>	<b>3.2 Barriers to more DR in the Energy Market</b> <b>a. Are the barriers identified actually barriers?</b> <b>b. Are there missing barriers?</b>	<ul style="list-style-type: none"> <li>The statement “generators face similar challenges” is overly simplistic, and likely to be resented by load customers; while generators are in the business of producing electricity, load customers are not in the business solely to consume electricity – it is an input into either commercial or industrial applications that have other business objectives than merely the consumption of electricity, or an essential service to farm and residential customers. Changing the output levels of generators should not be considered as equally complex as managing one of many inputs into commercial and industrial applications. However, the current market design, coupled with the characteristics of the Alberta energy market merit order, clearly reward fast response to unanticipated price changes.</li> </ul>
<b>3.3 Options to Increase DR in the Energy Market</b>	<b>3.3 Options to Increase DR in the Energy Market</b> <b>a. Other options beyond those identified in sections 3.3.1 through 3.3.4?</b>	<ul style="list-style-type: none"> <li>Given the market policy framework the AESO is operating in, and the other limitations imposed by the AESO, other options seem unlikely.</li> </ul>
	<b>3.3.1 Price Certainty</b> <b>a. Payments to bids on the margin</b> <b>b. Altering settlement rules</b> <b>c. New products</b> <b>d. Others to add?</b>	

	<b>3.3.2 Insufficient Incentive</b> a. Pay loads for the benefits they create b. Pay loads the energy price c. Allow bids >\$1000/MWh d. Others to add?	
	<b>3.3.3 Aggregation and Baseline Methodology</b>	<ul style="list-style-type: none"> <li>There is very little discussion as to what programs the individual retailers may already be taking to manage their portfolios.</li> </ul>
	<b>3.3.4 Signals Beyond the Spot Energy Price</b>	
<b>4.0 Reliability Product Initiatives</b>	<b>4.2 Barriers to more DR participation in Reliability Products</b> a. Are the barriers identified actually barriers? b. Are there missing barriers?	<ul style="list-style-type: none"> <li>The potential new service of ramping or “wind following” does appear to hold the most hope for larger DR participation, especially in light of the other restrictions placed on the DR initiative.</li> </ul>
	<b>4.3.1 New Products</b> a. Ramping (wind following) product b. Voluntary load curtailment c. Transmission must run (TMR)	
	<b>4.3.2 Aggregators</b>	
	<b>4.3.3 Technical Standards</b> a. Supplemental Reserves b. Spinning Reserves	
<b>5.0 Other Products</b>	<b>5.1 Generator Outage Coordination and Rescheduling</b>	

	<b>5.2 Long Lead Time Energy</b>	
	<b>5.3 Dispatch Down Service</b>	
	<b>5.4 Load Shed Service</b>	
<b>6 Conclusions and Next Steps</b>		<ul style="list-style-type: none"> <li>Given the market policy framework and the AESO-imposed restrictions, the paper provides little indication that increased DR participation is achievable. However, the subjective nature of the paper (with no analysis of what might be achievable in a less constrained exercise) limits the usefulness of the paper.</li> </ul>