

Stakeholder Comment Matrix – May 14, 2020

Request for feedback on sub-hourly settlement, session 1 material



Period of Comment: Apr. 23, 2020 through May 14, 2020	Contact: [REDACTED]
Comments From: Cognera Corp.	Phone: [REDACTED]
Date: 2020/05/14	Email: [REDACTED]

The AESO is seeking comments from stakeholders on its approach to reviewing sub-hourly settlement, and content from session 1.

- 1. Please fill out the section above as indicated.*
- 2. Please respond to the questions below and provide your specific comments.*
- 3. Email your completed matrix to stakeholder.relations@aeso.ca by May 14, 2020*
- 4. Stakeholder comments will be published to aeso.ca, in their original state, with personal or commercially sensitive information redacted, following May 14, 2020.*

	Questions	Stakeholder Comments
1.	<p>In an effort to narrow the scenarios for implementation cost estimates, the AESO provided analysis that indicated, based on past observations, that a 15 minute interval would be the easiest to implement and that there were limited economic gains to be made from reducing the settlement interval to 5 minutes.</p> <ul style="list-style-type: none"> - Do you have comments related to the analysis presented? - Would you suggest additional analysis be completed to better understand the benefits of a shorter settlement interval? 	<p>We agree with AESO that a 15 minute interval would be easier to implement than 5 minute interval.</p> <p>The AESO analysis has only shown a marginal savings by the market by making this change at either a 15 minute or 5 minute interval.</p> <p>While the change may increase price fidelity, the savings to the LSA and Retailers would be negligible and would not be offset by the additional work required to implement the change.</p>
2.	<p>In an effort to narrow the scenarios for implementation cost estimates, the AESO provided assessments that sub-hourly settlement for all generation and load sites with interval meters could be mandatory and cumulative meter sites could be billed using: a) new shaping to account for 15 minute settlement or b) remain on an hourly billing approach with a true up payment.</p> <ul style="list-style-type: none"> - Do you have comments related to the participation approach suggestion made by the AESO? - Do you have comments related to the true-up analysis presented by the AESO? - Would you suggest additional analysis be completed to better understand participation options? 	<p>It would be less data intensive to retain hourly profiles for cumulative metered sites although work would still be required to implement changes associated with the receipt of 15 minute settlement files for interval sites.</p> <p>For interval metered sites we would like to understand why additional SSI and WSI files would be required as we already have actual reads at the 15 minute level and we would use these to calculate invoice charges at the pool price.</p>

	Questions	Stakeholder Comments
3.	<p>At the session the AESO presented information, based on historical observations that suggested a move to sub-hourly settlement would provide limited economic benefits to load and generation in Alberta.</p> <ul style="list-style-type: none"> - Do you have comments related to the analysis? - Do you have comments related to the qualitative benefits that would be provided to the market from a move to sub-hourly settlement? - Do you have suggestions on how the AESO could estimate the future benefits of sub-hourly settlement that could be included in the economic evaluation? For example, approaches to estimate load / generation operation changes? - Do you believe the sub-hourly settlement initiative should continue to be pursued by the AESO and industry? 	<p>The presentation has not shown significant enough improvements to price fidelity to warrant changes from hourly to sub-hourly settlement.</p>
4.	<p>At the session the AESO presented information that suggested energy market bids / offers could continue to be made on an hourly basis. Do you have comments related to this element of the analysis?</p>	<p>This is out of the scope for our organization.</p>
5.	<p>At the session the AESO presented information that suggested energy dispatch could continue to be made on an as-needed basis regardless of the settlement interval. Do you have comments related to this element of the analysis?</p>	<p>This is out of the scope for our organization.</p>

	Questions	Stakeholder Comments
6.	<p>Cost question – given the narrowing of implementation options noted in questions 1 and 2, if your cost estimates will have changed from what you provided subsequent to session one, would you please provide an update here.</p> <p>LSAs and MDMs please do not answer; the AESO will be contacting you for participation in an additional session.</p>	<p>A cost estimate for the work would be ██████████ for an 18 month development period with the assumption we are switching to a 15 minute increment for all settlement profiles. We estimate it would be a minimum of 18 months up to 30 months to implement the changes from the start of the project.</p> <p>Areas that would need to be addressed</p> <ul style="list-style-type: none"> ○ Code refactoring ○ Performance testing ○ Evaluation of storage and partitioning strategy ○ Modification to legacy applications that reference or view hourly data ○ Modifications to all validation processes that occur within the system and externally ○ Modifications to customized reporting ○ Modifications to file loading procedures ○ Application testing <p>Also, there will be a significant impact to our storage and recovery capabilities to handle the increased level of granularity of data.</p>
7.	<p>At the session, the AESO explored potential impacts to other areas. Are there other potential impacts that should be considered and why?</p>	<p>Additional resources would need to be hired to implement the change to sub-hourly settlement. With current economic conditions a lot of companies are on a hiring freeze. This would require significant changes to our Retail settlement and reporting systems. Changes to the settlement system may be a considered a barrier to entry to the market for new and smaller Retailers.</p>
8.	<p>Please provide any other comments you have related to the sub-hourly settlement engagement.</p>	<p>We would like to understand more about what the drive to implement sub-hourly settlement at this time. The benefits have been identified in the presentation but it is still not understood the drive for the change. Is AESO looking to transition all meters to sub-hourly metering to align with other markets?</p> <p>Cognera represents 12 Retailers and 4 Self Retail clients that calculate invoice charges using complex rates on a calendarized settlement system as such a change to sub-hourly settlement including additional data sets will affect multiple facets of our organizational processes and will require significant changes, testing to ensure we meet new procedure requirements.</p>

Thank you for your input. Please email your comments to stakeholder.relations@aes0.ca.