

Stakeholder Comment Matrix – May 21, 2020

Request for feedback on pricing framework review, session 3 material



<p>Period of Comment: May 22, 2020 through June 5, 2020</p> <p>Comments From: TransCanada Energy Ltd. (TCE)</p> <p>Date: 2020/06/05</p>	<p>Contact: [REDACTED]</p> <p>Phone: [REDACTED]</p> <p>Email: [REDACTED]</p>
--	---

The AESO is seeking comments from stakeholders on its approach to reviewing the pricing framework, and content from session 3.

	Questions	Stakeholder Comments
1.	<p>The AESO has presented pricing framework options, and the risks and benefits of each, see below:</p> <p>A. Implement improvements to the pricing framework now to incent efficient market response during <u>supply shortage and supply surplus</u> situations</p> <p>B. Implement option A, in future, but <u>delay</u> due to conflicting priorities and external issues that exist today</p> <p>C. <u>Maintain current pricing framework</u>– AESO will continue to monitor the state of the market for signs of loss of system efficiencies</p> <p>Do you believe there other alternatives that should have been considered. If yes, please elaborate.</p>	<p>At a high level, TCE submits that the three options presented were reasonable considering the circumstances.</p> <p>In the future, TCE would recommend that the AESO not bundle proposed alternatives (i.e., changes to the price cap and floor) within a pricing framework option. In this case, options A and B included proposed changes to both the price cap and price floor. Yet, the analysis demonstrated that changes to the price floor would only yield efficiency gains of \$18,000. TCE submits that this is rounding error relative to the size of the Alberta market. Considering the regulatory cost of a hearing for the AESO and industry and the IT costs necessary to implement negative pricing, this change would not have been cost effective. While a market-based approach is generally preferred to an administrative-based approach, overall efficiency including implementation costs must drive policy. On this basis, TCE submits that negative pricing should not have been included in any of the options. As such, TCE would have preferred to see the options presented in an unbundled manner.</p>
2.	<p>The AESO's draft recommended approach is Option C above, maintain the current pricing framework. Do you have comments related to this recommendation?</p>	<p>TCE supports the AESO's draft recommendation that the current pricing framework be maintained with the AESO continuing to monitor the state of the market. TCE agrees that there is no imminent need for change and that market stability should be the factor given the current state of the market.</p>
3.	<p>Do you feel you have been able to adequately participate and provide comments to the AESO through this engagement? If no, please describe your concerns.</p>	<p>Yes.</p>

	Questions	Stakeholder Comments
4.	Do you believe the AESO was effective in the preparation and presentation of the material? If no, please provide suggestions for the improvement of future engagements.	Yes.
5.	Please provide any other comments you have related to the pricing framework engagement.	

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