

# Stakeholder Comment Matrix – Dec. 10, 2020

## Bulk and Regional Tariff Design Stakeholder Engagement Session 4



<b>Period of Comment:</b> Dec. 10, 2020 through Jan. 12, 2021	<b>Contact:</b> Raj Retnanandan
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Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to [tariffdesign@aeso.ca](mailto:tariffdesign@aeso.ca) by **Jan. 12, 2021**.

***The AESO is seeking comments from Stakeholders on Session 4. Please be as specific as possible with your responses. Thank you.***

	Questions	Stakeholder Comments
1.	Please comment on Session 4 hosted on Dec. 10, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Was helpful
2.	Do you have a view on whether an embedded or marginal cost allocation approach will more appropriately meet the AESO's rate design objectives? Why?	<p>During the session certain parties repeatedly asked about Ramsey pricing. Under Ramsey pricing the AESO would price service to those customers who had alternative choices at close to their avoided cost of self supply. This means the remainder gets spread across all other customers. The economic rationale being, by virtue of retaining the choice customers and their contribution to fixed costs, all customers are better off.</p> <p>Unlike in the past when, only ISDs were allowed to create microgrids, the choice customers who have a legal right to create micro grids now includes many others such as Indian Bands, Institutions etc., who can demonstrate community benefits.[Small Scale Generation Regulation]</p> <p>Given all this, it is better to provide marginal cost signals to everyone who is using the system and responding to price signals for their incremental use. Clearly, under this approach, the difference between MC and AC needs to be dealt with. One approach would be to bury this difference in a fixed connection charge which is not usage sensitive. The fixed connection charge could be established in declining blocks so that at the margin, it too reflects marginal costs.</p>
3.	<p>a) Do you have a preference for any of the mitigation options presented at Session 4? Why or why not?</p> <p>b) Do you know of any additional mitigation options that have worked in other contexts and might be applicable here. Please specify.</p> <p>c) What do you think the AESO's needs to achieve with its mitigation(s)? Why?</p>	In CCA's view mitigation of rate increase arising from restructured rates should occur at the bill level. Rates should be restructured to reflect the go forward rate design as soon as possible to reflect the evolving electricity system with two way flow of electricity.

	Questions	Stakeholder Comments
4.	<p>Are you supportive of the areas of agreement presented at Session 4? Why or why not? The areas of agreement presented include:</p> <p><b>Efficient Price Signals</b></p> <ul style="list-style-type: none"> <li>• Price signals matter               <ul style="list-style-type: none"> <li>○ Tariff charges provide incentives for customer behavior</li> </ul> </li> </ul> <p><b>Cost Responsibility</b></p> <ul style="list-style-type: none"> <li>• Recognize that more than just load behavior drives transmission development</li> <li>• We are dealing with an evolving system               <ul style="list-style-type: none"> <li>○ Current and future use may differ from what was that originally planned</li> </ul> </li> </ul> <p><b>Minimal Disruption</b></p> <ul style="list-style-type: none"> <li>• Transmission costs have risen               <ul style="list-style-type: none"> <li>○ Tariff charges are more important now than ever before</li> </ul> </li> <li>• Minimize disruption, mitigate rate shock               <ul style="list-style-type: none"> <li>○ It is not in anyone's interest to reduce the number of ratepayers</li> </ul> </li> </ul>	<p>Agreed</p>

<p>5.</p>	<p>Are you supportive of the areas of disagreement presented at Session 4? Why or why not? The areas of disagreement presented include:</p> <p><b>Efficient Price Signals</b></p> <ul style="list-style-type: none"> <li>• Are status quo price signals are efficient?             <ul style="list-style-type: none"> <li>○ Price signals in tariff have reduced the cost of energy to other load</li> </ul> </li> <li>• Are price signals forward looking?             <ul style="list-style-type: none"> <li>○ Price signals are efficient to the extent changes in customer behavior reduce the need for future transmission costs</li> </ul> </li> </ul> <p><b>Cost Responsibility</b></p> <ul style="list-style-type: none"> <li>• Is the primary objective cost causation, or cost responsibility?</li> <li>• Does the initial rate design still achieve goal of cost causation since transmission costs have risen and load behaviour has not influenced those costs?</li> </ul> <p><b>Minimal Disruption</b></p> <ul style="list-style-type: none"> <li>• Now is not the time for change or time to stop the bleeding?             <ul style="list-style-type: none"> <li>○ Economic climate, policy uncertainty, change impacts a few very negatively and many slightly positively</li> </ul> </li> <li>• Does rate mitigation need to be permanent or will customers adapt if temporary?</li> </ul>	<p>Agreed</p>
<p>6.</p>	<p>Are there considerations that the AESO could include in its rate design proposal that would move you to at an area of agreement on any of the areas of disagreement (refer to question 5 above)? Please specify.</p>	<p>Please refer to Option D presented by CCA</p>

7.	<p>Are you supportive of the areas of agreement for energy storage presented at Session 4? Why or why not?</p> <p><b>Energy storage areas of agreement:</b></p> <ul style="list-style-type: none"> <li>• Energy storage is unique in that it is not the producer or the end consumer of electric energy, nor is it the transmitter</li> <li>• Energy storage can participate in Alberta's electricity use-cases by providing             <ul style="list-style-type: none"> <li>○ Energy Price arbitrage</li> <li>○ Operating Reserves</li> <li>○ Non-wires solutions for transmission deferral</li> </ul> </li> <li>• Energy Storage should be treated in a fair, efficient, and openly competitive (FEOC) manner</li> </ul>	Agreed
8.	<p>Are you supportive of the areas of disagreement for energy storage presented at Session 4? Why or why not?</p> <p><b>Energy storage areas of disagreement:</b></p> <ul style="list-style-type: none"> <li>• Is energy storage a user of the grid or a component of the grid or both?</li> <li>• Does energy storage use the network for the Alberta specific use-cases?</li> <li>• Should energy storage pay for inflows and outflows like every other network user or not?</li> <li>• Should energy storage pay for one or more of administration, operations and maintenance, pod, regional, bulk charges?</li> </ul>	Agreed
9.	<p>Are there considerations that the AESO could include in its rate design proposal that would move you to at an area of agreement on any of the areas of disagreement for energy storage (refer to question 8 above)? Please specify.</p>	CCA does not take a position on this at this time.

10	Do you have any comments on the AESO's proposed stakeholder engagement process, including the mitigation process, for the remainder of the Bulk and Regional Rate Design engagement?	Agreed on process
11	Do you have additional clarifying questions that need to be answered to support your understanding?	
12	Additional comments	

Thank you for your input. Please email your comments to: [tariffdesign@aeso.ca](mailto:tariffdesign@aeso.ca).