

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2



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| Period of Comment: Sept. 24, 2020 through Oct. 8, 2020 | Contact: Kris Aksomitis |
| Comments From: Cogeneration Working Group (CWG) | Phone: 587-894-7150 |
| Date: 2020-10-08 | Email: kaksomitis@poweradvisoryllc.com |

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 by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

| | Questions | Stakeholder Comments |
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| 1. | Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful? | |
| 2. | Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible. | |
| 3. | Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible. | |

| | Questions | Stakeholder Comments |
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| 4. | <p>Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.</p> | <p>The AESO's proposed "bookends" are simply narrow variations on the same approach to move charges into a contract capacity billing determinant. The problem is not two-dimensional and the AESO has not adequately explored options with other billing determinants for costs not recovered on some kind of coincident basis, nor has the AESO examined the benefits of additional rate classes. In effect, the AESO has inappropriately limited its approach to increasing the importance of contract capacity to a greater or lesser degree combined with minor modifications to the real-time 12 CP billing determinant (more hours and regional peak rather than 12 CP). This is not an examination of potential bookends.</p> <p>Alternative billing determinants for both fixed and 'variable' charges are one approach the AESO failed to consider. With respect to alternatives to the 12 CP, the AESO must ensure its approach both addresses actual system needs and does not distort efficient outcomes in the real-time market. It is not clear the AESO has adequately considered both factors in its search for bookends.</p> <p>The 12CP based DTS tariff was designed to provide balance between various types of customers: customers requiring firm supply, customers with interruptible loads and customers requiring transmission as backup to self-supply. The AESO has not acknowledged these differences and should examine new rate classes as part of its overall approach to the tariff redesign. As an example, an 'active' rate class that has a must bid obligation could be used as a mechanism to differentiate flexible from inflexible loads rather than the variations on 12 CP the AESO has proposed as bookends. A standby rate class for infrequent system users with permanent self-supply should also be considered.</p> <p>The AESO does not appear to have considered efficiency in the real-time energy market nor the incentive both bookends create to reduce contract capacity.</p> |
| 5. | <p>Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?</p> | |

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| <p>6. Additional comments</p> | <p>This consultation is a massive undertaking with significant monetary implications for numerous market participants. Given this fact, the AESO has not allowed adequate time for this consultation, nor has it adequately widened the scope. For example, the AESO has not created an opportunity to consider creating additional rate classes and how this could improve the function of the overall tariff price signal.</p> <p>The CWG submits that the AESO should not rush through this consultation in a handful of consultation sessions for filing with the Commission in Q1 2020. Instead, the AESO should establish a longer consultation process that allows adequate time for complex analysis in market participant development of alternatives. This may result in a delay of the regulatory filing, but by the AESO's own analysis, the proposed changes could impact a small number of customers by over \$100M per year. A change of this magnitude must be carefully considered and unintended consequences must be contemplated to avoid further disruption.</p> <p>It is further unacceptable that the AESO spent six months working on the Session 2 bookends but then only allowed one week for parties to determine if they are willing and able to develop an alternative and only two weeks past that date for the development of an alternative proposal. This is inadequate time to develop a complete proposal and do all necessary analysis and calls to question the effectiveness of this stakeholder engagement.</p> |
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Thank you for your input. Please email your comments to: tariffdesign@aeso.ca.