

# Stakeholder Comment Matrix & Proposal Evaluation – Nov. 5, 2020

Bulk and Regional Tariff Design Stakeholder Engagement Session 3



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| <b>Period of Comment:</b> Nov. 5, 2020 through Nov. 20, 2020 | <b>Contact:</b> Evan Wilson                    |
| <b>Comments From:</b> Canadian Renewable Energy Association  | <b>Phone:</b>                                  |
| <b>Date:</b> 2020/11/20                                      | <b>Email:</b> ewilson@renewablesassociation.ca |

## 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 evaluation to [tariffdesign@aeso.ca](mailto:tariffdesign@aeso.ca) by **Nov. 20, 2020**.

*The AESO is seeking comments from Stakeholders on Session 3 and the preferred rate design option proposals. Please be as specific as possible with your responses.*

| Questions   | Stakeholder Comments   |
|---|--|
| 1. Please comment on Session 3 hosted on Nov. 5, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful? | The session was valuable, as it provided the opportunity to better understand other market participants' perspectives on the rate design options. We request that the AESO provide a formal response to the presentations during the December 10 Bulk and Regional Tariff session. |
| 2. Please complete <b>Table 1: How Did Each Proposal Achieve the Rate Design Objectives</b> for each of the proposals presented at Session 3.                   |  |
| 3. Which rate design option proposal, including the AESO's bookends A and B presented at Session 2, did you prefer? Why?  |  |

| Questions   | Stakeholder Comments  |
|---|---|
| <p>4. Does your preferred proposal meet all the rate design objectives?</p> <p>If not, what trade-offs does your preferred proposal create between the rate design objectives?</p> <p>Why are those trade-offs appropriate?</p> |   |
| <p>5. Which stakeholders are best served (or least impacted) by your preferred proposal? Why?</p>   |   |
| <p>6. a) Which stakeholders are most impacted by your preferred proposal? Why?</p> <p>b) What mitigations, if any do you recommend for those who would be impacted by your preferred proposal?</p>                              |   |
| <p>7. a) How would energy storage resources be treated in your preferred proposal?</p> <p>b) Does your preferred proposal include specific elements in relation to tariff treatment for energy storage? Why or why not?</p>     | <p>The AESO has acknowledged in multiple stakeholder engagement forums that storage is a unique technology type, sharing characteristics of both generation and load. We have argued that energy storage also shares characteristics with transmission and distribution infrastructure, specifically with substations, as defined under the Energy Utilities Act. Much like a substation, an energy storage unit does not do “work”, and acts as a conduit for the movement of electrons.</p> <p>The current tariff treatment options that have been proposed by the AESO are limited to those which attempt to tailor the treatment of storage using generation and loads as a basis. These options did not provide any considerations for storage’s “wire-like” properties, and, thus, did not provide a full perspective on possible treatments. Modelling provided by Solas Energy Consulting has demonstrated that each of the tariff treatments proposed on September 24 do little to improve the economic challenges presented by the status quo.</p> <p>Treatment as a substation would suggest that a storage facility would not be levied any STS or DTS under the tariff. Instead, CanREA proposes that an administrative fee, modeled on the Rider J - Wind Forecasting Service Cost Recovery Rider, would be an equitable means of recovering the cost of safely and effectively integrating energy storage within the AIES. We recommend that the</p> |

| Questions  | Stakeholder Comments   |
|--|--|
|  | AESO consider and present options for potential administrative fees for storage at the December 3 meeting. |
| 8. What are the challenges or unresolved questions with your preferred proposal? |  |
| 9. Additional comments   |  |

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

**Table 1: How Did Each Proposal Achieve the Rate Design Objectives**

| Objective                          | Description   | Example | Proposal 1<br>ADC, DUC<br>and IPCAA | Proposal 2<br>Energy<br>Storage<br>Canada | Proposal 3<br>CWSAA,<br>UCA, AML,<br>and Conoco | Proposal 4<br>CCA | Proposal 5<br>CanREA | Proposal 6<br>RMP Energy<br>Storage | Proposal 7<br>Suncor<br>Energy Inc. |
|------------------------------------|---|---------|-------------------------------------|---|---|-------------------|----------------------|-------------------------------------|-------------------------------------|
| <b>Reflect Cost Responsibility</b> | Cost recovery is based on the benefit and value transmission customers receive from the existing grid                     |         |                                     |   |   |                   |                      |                                     |                                     |
| <b>Efficient Price Signals</b>     | Price signal to alter behavior to avoid future transmission build   |         |                                     |   |   |                   |                      |                                     |                                     |
| <b>Minimal Disruption</b>          | Customers that have responded to the 12-CP price signal and invested to reduce transmission costs are minimally disrupted |         |                                     |   |   |                   |                      |                                     |                                     |
| <b>Simplicity</b>                  | Simplicity and clear price signals while achieving design objectives  |         |                                     |   |   |                   |                      |                                     |                                     |
| <b>Innovation and Flexibility</b>  | ISO tariff provides optionality for transmission customers to innovate while not pushing costs to other customers         |         |                                     |   |   |                   |                      |                                     |                                     |

**\* Proposed rate design must fit within current legislation \***

| Legend | Achieves objective | Potentially achieves objective with modification | Partially achieves objective | Potentially partially achieves objective with modification | Does not achieve objective |
|--------|--------------------|--|------------------------------|--|----------------------------|
|        |                    |  |                              |  |                            |