

Stakeholder Comment Matrix – March 25, 2021

Bulk and Regional Tariff Design Stakeholder Engagement Session 5



Period of Comment: March 25, 2021 through April 15, 2021 Comments From: ENMAX Corporation Date: 2021/04/14	Contact: Mark McGillivray Phone: Email: MMcGillivray@enmax.com
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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 by **April 15, 2021**.

The AESO is seeking comments from Stakeholders on Session 5. Please be as specific as possible with your responses. Thank you.

	Questions	Stakeholder Comments
1.	Please comment on Session 5 hosted on March 25, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	<p>The update provided by the AESO was valuable for stakeholders to hear which rate design option it preferred and reasoning for the change in approach. We look forward to written explanations during the regulatory proceeding.</p> <p>It may be more beneficial to stakeholders if the AESO held a separate session to discuss possible rate design options for energy storage. See response to Question 8.</p>
2.	Please comment on Technical Information Session II hosted on March 31, 2021 (if you attended). Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The session was useful to understand how the AESO's bill impact calculator works.

3.	<p>Are you supportive of the AESO's preferred rate design? Why or why not?</p>	<p>ENMAX is evaluating the AESO's preferred rate design and its potential unintended consequences.</p> <p>In general, ENMAX reiterates its views that major changes to the existing tariff design are premature at this time without knowing the plan for changes to the <i>Transmission Regulation</i> which may provide new tariff options for the AESO to explore. Future changes to the transmission policy and regulation could help facilitate a more efficient and fairer rate design than what the AESO is currently proposing, and implementing changes now only to revisit the tariff design in the near future would not be in keeping with a number of the AESO's overall design objectives.</p>
4.	<p>Do you believe the AESO's preferred rate design meets the AESO's rate design objectives? Why or why not?</p> <ul style="list-style-type: none"> a) <u>Reflect Cost Responsibility</u> (Cost recovery is based on cost causation, reflecting how transmission customers use the existing grid*) b) <u>Efficient Price Signals</u> (Price signal to alter behavior to avoid future transmission build) c) <u>Minimal Disruption</u> (Customers that have responded to the 12-CP price signal and invested to reduce transmission costs are minimally disrupted) d) <u>Simplicity</u> (Simplicity and clear price signals while achieving design objectives) e) <u>Innovation and Flexibility</u> (ISO tariff provides optionality for transmission customers to innovate while not pushing costs to other customers) <p>*AUC Decision 22942-D02-2019 **Proposed rate design must fit within current legislation</p>	<p>See response to Question 3.</p>
5.	<p>Are there considerations that the AESO should include, exclude and/or modify in its preferred rate design to better achieve the AESO's rate design objectives? Please specify and include your rationale.</p>	<p>See response to Question 3.</p>

6.	Please describe any areas in which you are aligned with the AESO's preferred rate design.	See response to Question 3.
7.	Are the assumptions the AESO used for the rate impact reasonable? Is there additional information that would help improve your understanding of rate impacts?	See response to Question 2. While the assumptions used to forecast future rate impacts appear reasonable, they are subject to change over time. The AESO is using 2019 hypothetical rates linked to actual historical billing determinants and there is no guarantee that this will reflect the future. Further, the AESO's rates which are not expected to come into effect until sometime in 2023, are not reflective of the future revenue requirement.
8.	<p>Are you supportive of the AESO's consideration of modernizing DOS, including its suitability for an energy storage charging capacity? Why or why not?</p> <p>And if so, provide your comments on the consideration of the AESO's DOS eligibility requirements, including for energy storage.</p>	<p>Modernizing DOS may be a suitable option for an energy storage charging capacity; however, there are limitations to the usefulness of such a rate depending on how the eligibility criteria and costs are to be applied. If DOS is used, the AESO should not have the ability to take direct control over the storage asset (outside of a system constraint) in the modernized DOS structure. The availability for a non-firm interruptible rate over the long term (e.g., not confined to a renewal every 12 months) may be worth exploring.</p> <p>If interruptible tariffs are contemplated for energy storage facilities, such rates should remain technology agnostic and must be equally applicable to other facilities and customers that can meet the interruptible conditions. It should also work for various sized storage facilities (e.g., less than 1MW to greater than 100 MW).</p> <p>As noted above, a separate session to discuss possible rate design options for energy storage would be useful. It is important to note that the potential for changes to be made to the transmission policy and regulation could also help facilitate proper rates for energy storage.</p>
9.	<p>Please describe what components of the current DOS implementation (i.e., rate, terms, and conditions) limit the use of excess transmission capacity (i.e., capacity that would not otherwise be used under Rate DTS).</p> <p>How might those components of DOS be improved?</p>	See response to Question 8.
10.	Do you have any comments on the AESO's targeted engagement approach for mitigation discussions?	It is understood that these conversations will be limited to a few select customers and not be transparent to the marketplace. ENMAX would suggest that a summary

		be made public that includes mitigation outcomes prior to the AESO's filing to the AUC.
11.	<p>Are there further considerations that the AESO should include, exclude and/or modify in the mitigation option starting principles? Please specify and include your rationale.</p> <ol style="list-style-type: none"> 1. Limit the rate impact for customers: Mitigate rate impact to under 10 per cent increase to a party's transmission bill for initial stage of transition 2. Adapt with design and rates: Ensure options are adaptable to changes to the proposed design and forecast rates 3. Consistent application: Mitigation options can be applied consistently across all impacted loads and not be individually defined 4. Administrative simplicity: Feasible to implement with current tools and systems 5. Mutually acceptable: Account for feedback from broad stakeholder group 	See response to Question 3.
12.	Based on the AESO's mitigation options assessment, are there further considerations that the AESO needs to include, exclude and/or modify (e.g., temporary versus permanent)? Please specify and include your rationale.	No comment.
13.	<p>Are you in favour of some type of mitigation? Why or why not?</p> <p>If you are in favour of some type of mitigation, how would you assess whether a proposed mitigation approach is acceptable?</p>	Any mitigation action that shifts costs with any significance would not be appropriate.
14.	In your view, should the AESO provide participants with more flexibility to adjust contract capacity, specifically by way of a contract reset period with the implementation of new rates and/or a PILON	No comment.

	waiver if the contract level has not changed in the previous five years?	
15.	Do you have any additional implementation considerations the AESO should consider?	See response to Question 3.
16.	Do you have additional clarifying questions that need to be answered to support your understanding?	No comment.
17.	Additional comments	A noted above, ENMAX is still evaluating the AESO's preferred rate design and its unintended consequences, one of which includes grid defection. With the potential for grid defection to be a rational cost avoidance action by large consumers, does the AESO have a view on what quantity of defection is acceptable to the AESO as a result of this preferred tariff approach? Is there sensitivity analysis available to look at tariff rate impacts if certain levels of defection are realized?

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