

Stakeholder Comment Matrix – Dec. 10, 2020

Bulk and Regional Tariff Design Stakeholder Engagement Session 4



Period of Comment: Dec. 10, 2020 through Jan. 12, 2021 Comments From: EPCOR Distribution & Transmission Inc Date: 2021/01/12	Contact: Gerald Zurek Phone: 780-412-3243 Email: gzurek@epcor.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 **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?	EDTI found the session valuable.
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?	EDTI believes that an embedded cost allocation approach is appropriate as the majority of the AESO’s costs, i.e. TFO rates, are developed using an embedded cost allocation approach.
3.	a) Do you have a preference for any of the mitigation options presented at Session 4? Why or why not? b) Do you know of any additional mitigation options that have worked in other contexts and might be applicable here. Please specify. c) What do you think the AESO’s needs to achieve with its mitigation(s)? Why?	a) EDTI prefers the rate design mitigation approach as EDTI believes that this approach will be easier for DFOs to implement and easier for DFOs customers to understand. b) EDTI is not aware of any additional mitigation options. c) EDTI believes that the AESO’s mitigation measures need to achieve an orderly transition to the new rates limiting the magnitude of the bill impacts with each change.

	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>Efficient Price Signals</p> <ul style="list-style-type: none"> • Price signals matter <ul style="list-style-type: none"> ○ Tariff charges provide incentives for customer behavior <p>Cost Responsibility</p> <ul style="list-style-type: none"> • Recognize that more than just load behavior drives transmission development • We are dealing with an evolving system <ul style="list-style-type: none"> ○ Current and future use may differ from what was that originally planned <p>Minimal Disruption</p> <ul style="list-style-type: none"> • Transmission costs have risen <ul style="list-style-type: none"> ○ Tariff charges are more important now than ever before • Minimize disruption, mitigate rate shock <ul style="list-style-type: none"> ○ It is not in anyone's interest to reduce the number of ratepayers 	<p>EDTI generally supports the areas of agreement.</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>Efficient Price Signals</p> <ul style="list-style-type: none"> • Are status quo price signals are efficient? <ul style="list-style-type: none"> ○ Price signals in tariff have reduced the cost of energy to other load • Are price signals forward looking? <ul style="list-style-type: none"> ○ Price signals are efficient to the extent changes in customer behavior reduce the need for future transmission costs <p>Cost Responsibility</p> <ul style="list-style-type: none"> • Is the primary objective cost causation, or cost responsibility? • Does the initial rate design still achieve goal of cost causation since transmission costs have risen and load behaviour has not influenced those costs? <p>Minimal Disruption</p> <ul style="list-style-type: none"> • Now is not the time for change or time to stop the bleeding? <ul style="list-style-type: none"> ○ Economic climate, policy uncertainty, change impacts a few very negatively and many slightly positively • Does rate mitigation need to be permanent or will customers adapt if temporary? 	<p>EDTI generally supports the objectives of efficient price signals, cost responsibility and cost causation and has an appreciation of the areas of disagreement. Further, EDTI believes that compromises will be required to balance these sometime opposing objectives.</p> <p>Regarding minimal disruption EDTI believes that the AESO needs to move forward with changes to its tariff with mitigating measures.</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>As noted in its response to question 5 EDTI believes the compromise will be required to achieve some aspect of the objectives of efficient price signals, cost responsibility and cost causation.</p>

7.	<p>Are you supportive of the areas of agreement for energy storage presented at Session 4? Why or why not?</p> <p>Energy storage areas of agreement:</p> <ul style="list-style-type: none"> • Energy storage is unique in that it is not the producer or the end consumer of electric energy, nor is it the transmitter • Energy storage can participate in Alberta’s electricity use-cases by providing <ul style="list-style-type: none"> ○ Energy Price arbitrage ○ Operating Reserves ○ Non-wires solutions for transmission deferral • Energy Storage should be treated in a fair, efficient, and openly competitive (FEOC) manner 	<p>EDTI is generally supportive of the areas of agreement. EDTI notes that energy storage may also participate in Alberta’s electricity market as non-wires solutions on distribution systems.</p>
8.	<p>Are you supportive of the areas of disagreement for energy storage presented at Session 4? Why or why not?</p> <p>Energy storage areas of disagreement:</p> <ul style="list-style-type: none"> • Is energy storage a user of the grid or a component of the grid or both? • Does energy storage use the network for the Alberta specific use-cases? • Should energy storage pay for inflows and outflows like every other network user or not? • Should energy storage pay for one or more of administration, operations and maintenance, pod, regional, bulk charges? 	<p>EDTI believes that storage should be treated as load when taking energy from the AIES and should be treated as supply when delivering energy to the AIES.</p>
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>	<p>Refer to EDTI’s response to question 8.</p>

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?	EDTI has no comments.
11	Do you have additional clarifying questions that need to be answered to support your understanding?	EDTI has no questions.
12	Additional comments	EDTI has no additional comments.

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