Period of Comment:	March 1, 2021	through	March 31, 2021	**Contact:**	Neil Cumming
Comments From:	FortisAlberta Inc.			**Phone:**	403-514-4949
Date:	[2021/03/31]			**Email**:	neil.cumming@fortisalberta.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments, if any. Blank boxes will be interpreted as favourable comments.

The AESO is seeking Stakeholder comments regarding the following questions related to the development of proposed amendments to ISO rules to enable energy storage ("Energy Storage ISO Rule Amendments"):

	Development of a Proposed ISO Rule	Stakeholder Comments
1.	Do you agree or disagree that the issue identified in the letter of notice requires the proposed Energy Storage ISO Rule Amendments? Why or why not? Please comment.	No comment.
2.	Do you agree or disagree with the potential purpose of the proposed Energy Storage ISO Rule Amendments? Why or why not? Please comment.	No comment.
3.	Do you agree or disagree with the proposed consultation activities? Why or why not? Please comment.	FortisAlberta supports the opportunity to provide stakeholder feedback on this topic.
4.	Do you have any comments in relation to the prioritization of the development of the proposed Energy Storage ISO Rule Amendments or the related timeline? Please comment.	No comment.
5.	Do you agree or disagree with the AESO's recommendation regarding hybrid asset participation? Why or why not? Please comment.	No comment.
6.	Do you agree or disagree with the AESO's recommendation regarding full-range participation? Why or why not? Please comment.	No comment.
7.	Do you agree or disagree with the AESO's recommendation regarding energy storage state of charge requirements? Why or why not? Please comment.	No comment.
8.	Do you agree or disagree with the AESO's recommendation regarding energy storage commissioning requirements? Why or why not? Please comment.	No comment.

9.	Do you have any additional comments?	FortisAlberta wishes to comment on the ES ownership assumption stated in section 1.3.3 which states: *Alberta Department of Energy (ADOE) policy regarding storage, DER and Non-Wire Solutions (NWS)* *This assumption relates to the ability for the AESO and DFOs to use non-wires solutions as part of transmission and distribution system planning. Central to the discussion is whether energy storage can be used as a substitute for traditional wires infrastructure in some circumstances. While the scope of this effort is focused on the changes needed to better facilitate NWS, these changes could have implications on the market participation of these resources.* *The AESO's current assumption is storage will be a market asset that may provide non-wires solutions, rather than a regulated asset capable of participating in the energy and ancillary services markets.* As the AESO is responsible for transmission system planning, AESO consideration of Non-Wire Solutions (NWS) and associated ownership issues should be limited to transmission planning needs and not consider the separate and unique needs of distribution system planning. Additionally, FortisAlberta disagrees with the AESO's stance on ES ownership by regulated utilities. FortisAlberta proposes that ownership of ES by a regulated utility should be permitted where the ES is used as a utility asset for grid purposes, separate from the needs of energy and ancillary services markets. FortisAlberta supports the integration of ES into the Alberta Interconnected Electricity System (AIES) in an efficient and cost-effective manner to maximize the benefit, and minimize costs, to Alberta electricity consumers. ES should be evaluated on a case-by-case basis against other technologies and service options where appropriate to determine the most cost-effective solution. FortisAlberta agrees that applications exist where an ES asset can provide both grid and market functions thereby maximizing the use of the asset for the benefit of customers. Grid and market functions however are often competing priorities for ES, and are often both needed most during periods of peak demand or system constraint. The operational balance between these two functions is an important consideration to understand and manage throughout the evolving grid and market requirements.

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		FortisAlberta disagrees with the assumption that all ES is a market asset that can provide grid functions. ES technologies and use cases are continuing to evolve at a rapid pace. ES grid service technologies and use cases are in the early stages of development and are expected to be required for the future safe, reliable, and cost-effective operation of distribution systems. An example of this is FortisAlberta's Waterton BESS project. This pilot project is utilizing battery ES to provide backup grid services to a remote, end of feeder community in the event of grid outages. The pilot project is not participating in any energy or ancillary services markets. The location of this ES installation allows for restoration grid services for a remote community but would have limited technical ability to participate in the AESO energy and ancillary services markets due to its remoteness from the Alberta transmission system and associated limited ability to export energy or transmission ancillary services back to the Alberta transmission system. The AESO has ensured that ES adoption is technology agnostic, however, are being prescriptive when it comes to ownership. Restricting regulated ownership of ES may limit the ability for ES to be most economically integrated into the AIES.