

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

Bulk and Regional Tariff Design Stakeholder Engagement Session 3



Period of Comment: Nov. 5, 2020 through Nov. 20, 2020	Contact: Erika Goddard
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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 evaluation to 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
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?	<p>It is our understanding that a request to review the 12CP method was introduced, by a stakeholder, at the start of the 2018 ISO Tariff process (Proceeding 22942). In April 2018, the AESO stated the following was needed with respect to the 12CP method (Exhibit 22942-X0129):</p> <p>“further consultation, associated with a robust and thorough analysis over a longer timeframe, before conclusions can be reached regarding whether the 12 CP methodology should be continued, modified or replaced by an alternative methodology.”</p> <p>Sufficient quantitative analysis has <u>not</u> been presented to demonstrate the need for change or that the 12CP method does not send efficient signals. To date, the entire justification for change has been summarized on only 4 slides. We note that following Session #2, the vast majority of stakeholders did not support the AESO’s conclusion that the 12CP (status quo) is no longer reasonable, including a general call for more analysis and studies to justify any need to change, and consideration of impacts. We also note that there has been no formal direction issued by the DOE or the AUC directing the AESO to pursue changes to the use of the 12CP method.</p> <p>It is premature to be discussing any alternative rate design options, prior to resolving this fundamental question around the effectiveness of the 12CP method. Further, there has been no quantitative analysis presented along with the AESO’s bookends or any other rate designs to suggest</p>

Questions	Stakeholder Comments
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these alternatives would even be any better. To proceed at this point, could be viewed as if changes to B&R tariff design are a foregone conclusion.

Prior to proceeding any further, we are asking the AESO to step back and consider the bigger picture. There are real and significant outstanding issues that must be addressed.

We firmly believe the following is required before proceeding with any further discussion to allow for an effective and efficient engagement and subsequent regulatory process. This is not an exhaustive list and could be confirmed with input from other stakeholders:

- What studies (for example, a Cost of Service study as suggested by many during Session #3) are required?
- Are there other studies or analysis that should be completed (jurisdictional review of other tariff structures, some have stated 12CP is quite commonly used throughout North America)?
- What process should be used for reviewing these studies with stakeholders?
- What other engagements, consultations, or proceedings (such as the DSI and consultation on the TReg) should be further advanced or concluded prior to discussing B&R tariff design changes?
- Once the need for an alternative rate design has been established, what analysis and studies should be completed to understand the impact on stakeholders and how this new structure will influence planning?
- How should any proposed changes to B&R tariff design be communicated to consumers and rolled out?

Until such time that the appropriate studies are completed, shared with stakeholders, and cost causation is understood, we reiterate, continued discussion of changes to the B&R tariff structure is premature, inappropriate, and will simply lead to continued areas of contention and misalignment.

Having said this, we believe that consultation on tariff rates for energy storage can and should continue, albeit as part of a separate engagement process (which nearly every stakeholder has also called for).

Now is not the time to introduce further uncertainty to our market and our economy.

Finally, we reiterate our view that the focus needs to be on vastly improved planning and initiatives that increase utilization and reduce, defer or eliminate the need for further wires growth.

<p>1. Please complete Table 1: How Did Each Proposal Achieve the Rate Design Objectives for each of the proposals presented at Session 3.</p>	<p><i>Instructions:</i> As per the example provided, please indicate how well Proposals 1 through 7 met each of the five Rate Design Objectives by pasting the appropriate coloured circle in the corresponding space. The legend defines and contains the coloured circles from which you can copy and paste into the table.</p> <p>Please provide comments or an explanation of how you came to your conclusions as appropriate.</p>
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Questions	Stakeholder Comments
2. Which rate design option proposal, including the AESO's bookends A and B presented at Session 2, did you prefer? Why?	
3. Does your preferred proposal meet all the rate design objectives? If not, what trade-offs does your preferred proposal create between the rate design objectives? Why are those trade-offs appropriate?	
4. Which stakeholders are best served (or least impacted) by your preferred proposal? Why?	
5. a) Which stakeholders are most impacted by your preferred proposal? Why? b) What mitigations, if any do you recommend for those who would be impacted by your preferred proposal?	
6. a) How would energy storage resources be treated in your preferred proposal? b) Does your preferred proposal include specific elements in relation to tariff treatment for energy storage? Why or why not?	
7. What are the challenges or unresolved questions with your preferred proposal?	
8. Additional comments	

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

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

Objective	Description	Example	Proposal 1 ADC, DUC and IPCAA	Proposal 2 Energy Storage Canada	Proposal 3 CWSAA, UCA, AML, and Conoco	Proposal 4 CCA	Proposal 5 CanREA	Proposal 6 RMP Energy Storage	Proposal 7 Suncor Energy Inc.
Reflect Cost Responsibility	Cost recovery is based on the benefit and value transmission customers receive from the existing grid								
Efficient Price Signals	Price signal to alter behavior to avoid future transmission build								
Minimal Disruption	Customers that have responded to the 12-CP price signal and invested to reduce transmission costs are minimally disrupted								
Simplicity	Simplicity and clear price signals while achieving design objectives								
Innovation and Flexibility	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