

# Stakeholder Comment Matrix – Sept. 24, 2020

## Bulk and Regional Tariff Design Session 2



<b>Period of Comment:</b> Sept. 24, 2020 through Oct. 8, 2020 <b>Comments From:</b> RMP Energy Storage <b>Date:</b> [2020/10/08]	<b>Contact:</b> Robert Stewart <b>Phone:</b> 587-920-4833 <b>Email:</b> Robert.stewart@rockymountainpower.ca
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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](mailto:tariffdesign@aeso.ca) by **Oct. 8, 2020**.

**The AESO is seeking comments from Stakeholders with regard to the following matters:**

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Agree that application of the CP-12 methodology does not align with system costs as, in general, there is sufficient bulk system capacity. CP-12 does not send the right signals to new generation or load customers.

	Questions	Stakeholder Comments
4.	<p>Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.</p>	<p>No. These bookends assume that all customers want the same service. There should be consideration of non-firm load customers that use the transmission system only when capacity is available. This could be completed with AESO having the ability to dispatch non-firm loads off or direct trip when capacity reaches a defined constraint. This allows for future participants to be added to the system without increasing the transmission capacity while increasing the utilization of the existing system. These rates can be applied to current load customers that have invested to avoid CP-12 events, energy storage and inerties. To be successful, these rates should reflect that these assets do not require additional transmission capacity and therefore pay a lower rate equivalent to those who avoid CP-12 or import/export opportunity rates today.</p>

<p>5.</p>	<p>Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible.</p> <p>Do you have additional clarifying questions that need to be answered to support your understanding?</p>	<p>Yes. Energy storage is not the same as a load customer. Charging energy storage as a firm load customer does not align with FEOC as energy storage will not utilize transmission capacity when there is a cost associated in doing so provided there is a clear real time signal of this cost. As shown, CP-12 does not align with actual transmission costs or pool prices and therefore is not a sufficient real time signal. This is not fair or efficient and therefore prevents open competition. Treating energy storage as a firm load customer under either book end put forth by the AESO suggests that energy storage assets add to the cost of the transmission system. This is inefficient as generally storage assets would locate where there is transmission capacity available during low load hours to charge and reduce transmission requirement when discharging. With proper signals through a non-firm tariff, energy storage will locate where it is most economic therefore will not cause any transmission costs increases. This would be fair and efficient use of existing transmission while enabling open competition. Should additional transmission be required for a new energy storage asset or any non-firm load, then this would trigger the asset to connect as a firm load and pay the full bulk system charge for the capacity of the additional transmission.</p> <p>Energy storage should be treated similar to an intertie with non-firm capacity (ex. similar to ATC) as it acts exactly the same as a intertie. Treating it differently does not align with FEOC principles. The only difference between energy storage a tie line is that energy storage can only regenerate the electricity in the province, therefore providing benefit to consumers by adding additional generation onto the system during high prices.</p> <p>Should there be load or dual use customers willing to operate in the same manner, they should all operate under the same interruptible rate as per FEOC principles.</p>
<p>6.</p>	<p>Additional comments</p>	<p>Increasing utilization of the transmission system or reducing payments to transmission owners are the only way to reduce cost to consumers. This cost is what is driving consumers to avoid transmission costs and ultimately consider grid defection. Shuffling the costs into other bins creates false market signals that customers will figure out how to avoid and require tariff redesign in the future. Non-firm rates enables additional load to be added to the system without additional transmission being built and the small charges paid by these non-firm customers will decrease all individual consumer costs. This includes having interties pay the same rates as internal market participants such as energy storage.</p>

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