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	**Contact:**	Kipp Horton
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Date:	April 15, 2021	**Email**:	Kipp.horton@windriver.ca

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?	Yes, TPG appreciated the session to further explore appropriate tariff treatment of energy storage resources. The session would have been more valuable if there was greater analysis provided on the DOS rate as the AESO's preferred tariff treatment of energy storage.
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?	No comment.
3.	Are you supportive of the AESO's preferred rate design? Why or why not?	TPG is supportive of the AESO's general direction to treat energy storage as an interruptible/opportunity service. Although this an encouraging step forward, TPG believes there is more analysis to be done before TPG can support the AESO's current preferred rate design related to energy storage. A "modernized DOS" may or may not be the most appropriate treatment upon completion of additional analysis.

	Questions	Stakeholder Comments
4.	Do you believe the AESO's preferred rate design meets the AESO's rate design objectives? Why or why not? a) Reflect Cost Responsibility (Cost recovery is based on cost causation, reflecting how transmission customers use the existing grid*) b) Efficient Price Signals (Price signal to alter behavior to avoid future transmission build) c) Minimal Disruption (Customers that have responded to the 12-CP price signal and invested to reduce transmission costs are minimally disrupted) d) Simplicity (Simplicity and clear price signals while achieving design objectives) e) Innovation and Flexibility (ISO tariff provides optionality for transmission customers to innovate while not pushing costs to other customers) *AUC Decision 22942-D02-2019 **Proposed rate design must fit within current legislation	No comment at this time.
5.	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.	No comment at this time.
6.	Please describe any areas in which you are aligned with the AESO's preferred rate design.	TPG is aligned with the AESO's direction to treat energy storage as an interruptible/opportunity service.
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?	No comment at this time.

8.	Are you supportive of the AESO's consideration of modernizing DOS, including its suitability for an energy storage charging capacity? Why or why not? And if so, provide your comments on the consideration of the AESO's DOS eligibility requirements, including for energy storage.	TPG is supportive of the AESO's general direction to treat energy storage (ES) as an interruptible/opportunity service. Although we are supportive to explore the potential of a modernized DOS rate, TPG recommends equal exploration of other potential solutions. On the surface, it appears that a modernized DOS could be suitable but TPG has concerns that many details have yet to properly assessed. For example, there needs to be recognition of the differences between energy storage resources and the loads for which the DOS rate was originally intended. Our major concerns relate to; • Term – the current DOS rate is limited to 1 year. If applied to energy storage, TPG believes that this very short term will create excessive administration burden for the AESO while providing the ES market participant with insufficient planning certainty. • Ancillary Service (AS) – the AESO has previously indicated that energy storage should be exempt from transmission charges while providing AS. No mention of this exemption appears in the preferred rate design. • Metered Energy – it appears that the preferred rate design will see a very large increase in the rate assessed for metered energy. Furthermore, this increased metered energy rate will be assessed on a "flat" basis. The unique nature of energy storage's natural operation means typically charging during unstressed system times. Therefore, TPG believes it is more appropriate to assess energy storage on a "shaped" metered energy basis to reflect cost causality principles. • Eligibility – TPG is concerned that the DOS rate eligibility criteria may impose an inappropriate amount of uncertainty for ES applications. While acknowledging that the AESO's proposal is to modernize the DOS rate for ES purposes, an important aspect should be to avoid the requirement of any ongoing assessment of individual ES market participants' business case, and instead adopt a universal and automatic qualification of ES eligibility. TPG believes that this approach maintains the principles of FEOC and technology neutrality.

9.	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). How might those components of DOS be improved?	Please see above comments to Item #8.
10	Do you have any comments on the AESO's targeted engagement approach for mitigation discussions?	No comments at this time.
11	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. 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	No comments at this time.
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 comments at this time.

13	Are you in favour of some type of mitigation? Why or why not? If you are in favour of some type of mitigation, how would you assess whether a proposed mitigation approach is acceptable?	No comments at this time.
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 waiver if the contract level has not changed in the previous five years?	Yes, TPG is a strong supporter in general of increased flexibility to adjust an asset's rate class ,contract capacities and reset periods. This flexibility may help to reduce future transmission costs. In particular, more discussion is required to understand the potential interdependencies between DTS/DOS for ES market participants relating to station service, etc. as was recently highlighted by the AESO. Increased flexibility may help to mitigate any potential unintended consequences.
15	Do you have any additional implementation considerations the AESO should consider?	Nothing further at this time.
16	Do you have additional clarifying questions that need to be answered to support your understanding?	At this time, there are many details outstanding regarding the preferred rate design for energy storage. TPG would like to understand AESO's proposed timelines for further consultation on these details and the significant work involved.
17	Additional comments	

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