

Stakeholder Comment Matrix – April 9, 2020

Overview of Short-term Market Implementation Requirements for Energy Storage Participation



Period of Comment: April 9, 2020 through April 27, 2020 Comments From: TransCanada Energy Limited (TCE) Date: 2020/04/27	Contact: ██████████ Phone: ██████████ Email: ██████████
---	--

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. Email your completed comment matrix to energystorage@aeso.ca by April 27, 2020.

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

	Questions	Stakeholder Comments
1.	Are there areas where further clarity on expected participation would be helpful?	<p>At section 4.1.2 of the document, the AESO identified that the state of charge will only be considered a physical limitation at relative zero and relative 100 percent charge. In other words, when the state of charge of the energy storage asset reaches relative zero or 100 percent, the pool participant may declare state of charge as an AOR.</p> <p>TCE requests further clarification. Given the fact that energy storage assets have limited fuel, assume a scenario where the state of charge is 95 percent and the energy storage asset is dispatched/directed from both the energy and ancillary services markets. The unit can fully satisfy the ancillary service directive, but with the addition of the energy market dispatch, the combined commitments are in excess of the facility's ability to produce. Would a pool participant then have an AOR to reduce their facility's availability to reflect the amount of energy it is capable of delivering to the grid?</p>
2.	Are there areas of market participation that in your view need special consideration for energy storage that are not identified in the overview document?	<p>TCE appreciates the AESO's work to provide clarification for the participation of energy storage assets under the current set of authoritative documents.</p> <p>A fundamental challenge facing energy storage facilities in Alberta is that the current tariff treatment significantly hinders their economic viability. In fact, two energy storage facilities that had received Alberta Utilities Commission approval have recently been</p>

	<p>cancelled citing challenging marketplace conditions.</p> <p>TCE submits that appropriate tariff treatment for energy storage assets needs to be addressed as soon as possible, and cannot wait for late 2022 when the AESO plans to complete its long-term implementation plan. This is essential for both active connection projects and other projects in various stages of development that will need this to be resolved to make key investment decisions.</p> <p>In its August 2019 Energy Storage Roadmap, the AESO identified the unique nature of energy storage assets and that they require unique treatment, stating:</p> <ul style="list-style-type: none"> • The unique attributes of energy storage facilities are not the same as loads or generators, as currently contemplated in the AESO Authoritative Documents, resulting in a lack of clarity in the application of those documents. • Energy storage will be approached as a unique asset type; it is neither a load nor a generator. • While the current legislative framework does not prohibit the participation of energy storage in the EAS markets, in practice the existing legislation, regulations and AESO Authoritative Documents do not fully contemplate the unique attributes and challenges associated with energy storage participation on the AIES. • The ISO tariff includes multiple transmission system access services; therefore, rate offerings for energy storage could be developed to reflect the value and costs to the transmission system. This will ensure storage has appropriate rate tariffs based on its technology capability and resultant value to the AIES. • Future ISO tariffs will ensure that energy storage pricing signals incent FEOC market behaviour; do not distort the energy or ancillary services markets via cross-subsidies; fairly allocate transmission costs to consumers; and, are aligned with distribution tariffs. <p>TCE agrees that energy storage assets are unique relative to traditional source and sink assets, and that as a result they require unique treatment, which the current tariff does not provide. Indeed, the legislation requires a unique class of system access service to ensure that the rates the AESO charges reflect the prudent costs that are reasonably attributable to energy storage assets. TCE submits that the current tariff design may not meet this requirement and may charge rates to energy storage assets that are not just and reasonable. For these reasons, TCE submits that the AESO should prioritize the tariff treatment for storage assets to address this issue as soon as</p>
--	---

		possible.
3.	Additional comments	Generally, TCE supports the AESO's short-term implementation plan and appreciates the recognition that storage assets are able to provide operating reserves over the full range of operation.

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