

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

Bulk and Regional Tariff Design Stakeholder Engagement Session 3



<p>Period of Comment: Nov. 5, 2020 through Nov. 20, 2020</p> <p>Comments From: ATCO Electric</p> <p>Date: 2020/11/20</p>	<p>Contact: Tony Martino, Dan Thackeray</p> <p>Phone: 780-420-5493 (Tony) 780-721-4284 (Dan)</p> <p>Email: Tony.Martino@atco.com Dan.Thackeray@atco.com</p>
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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
1. 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?	The session held on Nov 5, 2020 was well organized and was very valuable in terms of allowing for all the parties to present their rate design proposals and to be tested on their assumptions and applications through the dialogue.
2. Please complete Table 1: How Did Each Proposal Achieve the Rate Design Objectives for each of the proposals presented at Session 3.	<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. Please refer to Table 1 for responses.

Questions	Stakeholder Comments
	<p>Please provide comments or an explanation of how you came to your conclusions as appropriate.</p> <p>The rationale behind the responses to Table 1 are mainly related to attempting to minimizing trade-offs and cross-subsidization amongst customers.</p>
<p>3. Which rate design option proposal, including the AESO's bookends A and B presented at Session 2, did you prefer? Why?</p>	<p>While it is currently difficult to pinpoint a rate design that addresses all objectives, Proposals 3 & 4 that provide for an alternative billing determinant recovery to CP, such as NCP, appear to be a step towards minimizing cross-subsidization issues.</p>
<p>4. Does your preferred proposal meet all the rate design objectives?</p> <p>If not, what trade-offs does your preferred proposal create between the rate design objectives?</p> <p>Why are those trade-offs appropriate?</p>	<p>The preferred Proposals 3 & 4 partly meet the rate design objectives, however; there are certain concerns respecting the use of unratcheted NCP. An alternative to this concept could be to further examine the concept of introducing ratcheted NCP to exercise more discipline on customers and on the system.</p>
<p>5. Which stakeholders are best served (or least impacted) by your preferred proposal? Why?</p>	<p>Customers that are not currently able to react to CP price signals (eg. residential, commercial, industrial distribution-connect customers) are best served (least impacted) by preferred Proposals 3 & 4.</p>
<p>6. a) Which stakeholders are most impacted by your preferred proposal? Why?</p> <p>b) What mitigations, if any do you recommend for those who would be impacted by your preferred proposal?</p>	<p>Transmission direct-connect customers and Distribution-connect Generation (DCG) customers that are able to react to the current 12 CP price signal framework will be the stakeholders most impacted by preferred Proposals 3 & 4.</p> <p>The strategies outlined by Proposals 3 & 4 to either grandfather existing customers and/or to assess transitional credits appear to be examples of certain mitigation strategies to minimize impacts to Transmission connect and DCG customers.</p>
<p>7. a) How would energy storage resources be treated in your preferred proposal?</p> <p>b) Does your preferred proposal include specific elements in relation to tariff treatment for energy storage? Why or why not?</p>	<p>As ATCO has stated in Proceeding 24116, energy storage is "...a 'tool in the toolbox' for utility planning groups to consider when solving problems facing the grid." (Exhibit 24116, X0511, pdf page 5) Further, "ATCO believes commercially owned energy storage resources should be approached with caution, and should strive to minimize those customers who are only seeking wire tariff avoidance. TFOs should be able to deploy energy storage as a non-wires alternative when solving problems that are facing the grid." (Exhibit 24116, X0511, pdf page 8)</p>

Questions	Stakeholder Comments
	As such, treatment of these types of facilities within the tariff need to be broached with caution and examined thoroughly to avoid unintended consequences associated with policy change. The AESO should consider a thorough review of the application of Energy Storage in isolation of this rate design consultation in order to assess all implications impacting energy storage connections (which would include an assessment of rate design for these types of customers).
8. What are the challenges or unresolved questions with your preferred proposal?	While the concepts of grandfathering existing customers (Proposal 3) and/or assessing transitional credits (Proposal 4) appear to alternative mitigation strategies, these concepts appear to be steps that move the rate design from a Postage Stamp principle and, in addition, would pose administrative burden concerns for Distribution Facility Owners
9. Additional comments	ATCO Electric has not provided comments or rated the energy storage proposals directly, rather it has provided comments on bulk system rate design proposals as it believes this forms the primary initial focus of these consultations.

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								

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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