

Stakeholder Comment Matrix – October 15th, 2020

DER Market Participation Options



<p>Period of Comment: October 15th, 2020 through October 30th, 2020</p> <p>Comments From: Capital Power Corporation</p> <p>Date: 2020/10/30</p>	<p>Contact:</p> <p>Phone:</p> <p>Email:</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. Email your completed comment matrix to stakeholderrelations@aeso.ca **by October 30th, 2020.**

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

	Questions	Stakeholder Comments
1.	In your view, are there barriers or issues with DER participation in the energy and/or OR market that should be addressed now? What are those barriers or issues and how should they be best addressed?	<p>Capital Power appreciates the opportunity to provide comments on the AESO’s <i>DER Market Participation Options</i>. Capital Power provides the following comments for consideration.</p> <p>Capital Power understands that there is growing interest in DERs in Alberta and that the AESO is being proactive with this initiative by identifying and potentially removing barriers to entry for DERs to participate in the energy and operating reserves market. However, and as our subsequent comments show, DER participation raises important issues for the market, and it is important that any potential rules that may be developed to enable DER participation are consistent with the level playing field principles established in the <i>EUA</i>.</p>
2.	Is it important for market participation for DER/small DCG to be addressed with market design changes now, or can this be deferred into the future? Can you identify priority items that should be addressed first?	<p>Capital Power is supportive of a FEOC market that promotes market efficiency and is inclusive of all market participants. However, based on what the AESO presented at the October 14th session, it does not appear that the benefits to small DCG (<5 MW) or the existing market will be enough to outweigh the costs associated with participant rule compliance and AESO implementation.</p> <p>The AESO stated it is considering changes to the energy market participation threshold to promote, in part, market efficiency and price fidelity by enabling small</p>

		<p>DCG to offer in the energy-market. Yet at the October 14th presentation the AESO demonstrated that there will be limited, if any impact on pool price, if small DCG participates in the energy market. Capital Power submits that changes to the market design may not be necessary at this time, as the benefits do not seem to outweigh the associated implementation costs.</p>
3.	<p>If voluntary energy market participation were to be permitted for small DER (<5MWS), would you anticipate parties to use the opportunity to directly participate in the energy market? i.e. submit bids and offers, accept and respond to dispatches, comply with all applicable ISO rules? Why or why not? Please explain.</p>	<p>Based on the Oct 14th presentation, Capital Power believes it is unlikely small DER owners would participate in the energy market. Capital Power supports the AESO's conclusion in the Oct 14th presentation that there appears to be little benefit for small DER and the costs to implement changes may not be commensurate with benefits to Albertans. If Small DERs did participate in the energy-market, it is expected they would be held to the same standards of all other market participants.</p>
4.	<p>a) Do you support lowering the minimum market participation thresholds in the energy and/or operating reserves markets? Please provide rationale as to why or why not. If yes, to what level?</p> <p>b) Do you support lowering the minimum market participation thresholds now, or at a future date? Please explain.</p>	<p>Capital Power supports a FEOC market and submits that regardless of what the threshold is, all market participants should be subject to the same rules and requirements when participating in the energy and operating reserves markets.</p> <p>Any changes proposed by the AESO must also be within the bounds of the existing legislative and regulatory scheme. For example, generators that are qualified under the <i>Small Scale Generation and Micro-Generation Regulations</i> are obligated to offer at 0\$ and be excluded from the power pool, respectively. While there may be exceptions to these constraints, regardless of what the market participation threshold is, these assets may be restricted from participating.</p> <p>Capital Power also submits that if the minimum market participation threshold is lowered, participation for small DCG should not be voluntary. To maintain a level playing field, all generation, regardless of size must be obligated to comply with market rules, including Must-Offer-Must-Comply.</p>
5.	<p>If market participation thresholds are lowered for energy and/or operating reserve market participation, is there a need to review aggregation rules surrounding market participation (outside of aggregation for the purpose of meeting the market participation threshold)? Please explain.</p>	<p>Capital Power reiterates its comments in the previous question that all market participants should be subject to the same standards when participating in the energy and/or OR market.</p>
6.	<p>When considering aggregation, has the AESO missed any essential components?</p>	<p>Capital Power has no comments at this time.</p>

7.	Do you have any concerns or suggestions on the DER market participation process and timeline?	Capital Power has no comments at this time.
8.	Do you have any other suggestions or comments you would like to share on DER market participation or the engagement activities?	Capital Power has no comments at this time.

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