

Stakeholder Comment Matrix – Oct. 1, 2020

Request for Feedback on Long-term Energy Storage Market Participation Options Paper



<p>Period of Comment: Oct. 1, 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. **Please submit one completed matrix per organization.**
4. Email your completed comment matrix to energystorage@aeso.ca by **Oct. 30, 2020**.

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

	Questions	Stakeholder Comments
1.	Are there additional issues to energy storage market participation within the current ISO rules that AESO did not identify?	Capital Power appreciates the opportunity to provide comments on the AESO's <i>Long-Term Energy Storage Market Participation Options Paper</i> . Capital Power provides the following comments for consideration.
2.	Are there additional options to energy storage market participation within the current market structure that AESO did not identify?	Capital Power has no additional comments at this time.
3.	Do you agree with the evaluation of options?	Capital Power appreciates the AESO's efforts to evaluate the market participation options using a simple one to five assessment scale. However, Capital Power submits that the AESO is prematurely evaluating these options and against a scale that is subjective. Capital Power requests that the AESO provide more detail as to how the options were evaluated and ranked on the assessment scale.
4.	Is full range market participation an important priority for energy storage right now; or is half-range providing required market access? Should full range market participation be deferred for investigation and implementation at a future date?	While Capital Power has no comment on the priority level of full-range or half-range market participation for energy storage, Capital Power does support a thorough investigation into full-range market participation.

<p>5.</p>	<p>Should Variable Energy Resources and Storage hybrids be permitted to participate?</p> <p>a. If no please explain why not</p> <p>b. If yes please provide a rationale as to why and how the dispatch variability issue should be addressed?</p>	<p>Capital Power recognizes that the treatment of energy storage resources is an open consultation and continually evolving, but the AESO very recently included hybrid site configurations as a permissible asset configuration in <i>Information Document, Energy Storage Guide, ID #2020-013</i>. The AESO is now questioning whether hybrid assets should be permitted. This is not conducive to an efficient market and it erodes the market and regulatory certainty that currently exists. Capital Power submits that the AESO must consider the impact that removing hybrid assets will have on market participants when investigating the dispatch variability issue.</p> <p>Capital Power continues to support the AESO’s consideration of requirements for hybrid facilities. The treatment of a storage facility in market rules should allow participants the ability to configure the site in a manner that best suits the circumstances of the facility, including the option to operate as a hybrid. Further, requiring the energy storage and variable energy resource to be considered separate assets creates administrative and compliance burdens on market participants.</p> <p>At this time, Capital Power supports the AESO’s Hybrid Mechanism 1 – Variable block volume option. However, Capital Power submits that it may be too soon to wholly evaluate the mechanisms provided by the AESO. As noted in the Market Options Paper, if hybrid participation continues, the AESO will have to develop:</p> <ol style="list-style-type: none"> 1. Clear and obtainable dispatch compliance rules; 2. Classifications for hybrid assets to ensure transparency; and 3. Develop appropriate power ramp management and forecasting rules. <p>Capital Power recommends that because the issues with dispatch variability are closely connected to other issues, including power ramp management, a more holistic evaluation of hybrid participation methodologies for improved dispatch should be considered.</p>
<p>4.</p>	<p>How should storage and potentially other demand side resources be required to participate in the energy market?</p> <p>a. Must submit full range</p> <p>b. May submit full range</p> <p>c. Only submit discharge capability</p>	<p>Capital Power has no comments at this time.</p>

	Please provide a rationale for your choice.	
5.	In regard to the full range market participation options, how do you feel the chosen option should land when trading off technology agnostic treatment and complexity against participation flexibility?	Capital Power submits that while the trade-off between technology agnostic treatment, complexity and participation flexibility is important, maintaining a level-playing field remains a foundational principle for Alberta’s market. Any assets participating in either the energy or ancillary services markets should be held to the same standard, regardless of technology. Existing market participants and technologies are held to certain dispatch standards, and in order to maintain a FEOC market, full-range market participation options must be evaluated against these same standards.
6.	Do you have any comments on defining the state of charge? Is there anything the AESO has not considered? Please explain.	Capital Power does not have any comments on defining the state of charge at this time, but reiterates comments made in previous submissions that state of charge information should be provided to all market participants in aggregate form to support efficiency and price formation.
7.	Do you have any comments on the commissioning requirements for storage? Is there anything the AESO has not considered? Please explain.	Capital Power recommends that because commissioning requirements will need to be revised based on whether full-range or half-range participation is chosen, this issue should not be addressed until after that decision is made. However, any changes made to commissioning requirements should be limited to the energy storage resource, with no impact to any other on-site generation.
8.	Do you have any concerns or suggestions on the energy storage market participation engagement process and timeline?	Capital Power reiterates comments made on April 21, 2020 in the Stakeholder Comment Matrix for the 2020 Plan for Energy Storage Roadmap Integration Activities; consultations and timelines should allow stakeholders a reasonable opportunity to comment and where possible, there should be coordination among AESO consultations. Integrating energy storage into the existing market framework in Alberta is a complex and high-priority initiative and requires a proportionate amount of resources to inform decisions regarding its treatment.
9.	Do you have any other suggestions or comments you would like to share with the AESO related to the Long-term Energy Storage Market Participation Options Paper or the engagement activities?	Capital Power has no additional comments at this time.

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