

Stakeholder Comment Matrix – February 23rd, 2021

DER Market Participation Draft Recommendations



<p>Period of Comment: February 17th, 2021 through March 17th, 2021</p> <p>Comments From: ENMAX Corporation</p> <p>Date: 2021/03/17</p>	<p>Contact:</p> <p>Phone:</p> <p>Email:</p>
---	--

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 March 17th, 2021.**

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

	Questions	Stakeholder Comments
1.	<p>a) In your view, has the AESO’s approach reasonably addressed potential barriers to participation for Small DER in the energy and OR markets? Please comment.</p> <p>b) If significant barriers to participation in the energy and/or OR markets remain, what are they? Please comment.</p>	<p>See responses below.</p> <p>In general, ENMAX supports a level playing field approach with no preferential treatment extended to certain participants for technology type or asset size.</p>
2.	<p>Do you agree with the AESO recommendation to maintain ISO Rules Section 203.1 <i>Offers and Bids for Energy</i> (must offer) requirement for energy submissions for source assets 5 MW and greater? Why or Why not.</p>	<p>Yes, ENMAX agrees with the AESO’s recommendation given that the current penetration level of small dispatchable DERs (<5 MW) remains negligible.</p>
3.	<p>Do you agree with the AESO recommendation of allowing voluntary participation in the energy market for small DERs 1 MW and greater? Why or Why not.</p>	<p>While ENMAX appreciates the AESO’s efforts to reduce barriers to participation for small DERs, the existing <i>Micro-Generation Regulation</i> and <i>Small-Scale Generation Regulation</i> currently provides such units with an avenue to be exposed to pool price and not have the added responsibility of following ISO Rule 203.1. That said, the approach to allow broader voluntary participation for small DERs 1 MW and greater (outside of the existing regulations mentioned above) is reasonable as long as a level playing field approach is followed, meaning voluntary participation in the energy</p>

		<p>market should come with the same obligations as other market participants.</p> <p>ENMAX suggests that these voluntary units should be visible to the market in a similar way as the Current Supply and Demand report provides visibility to those units providing energy and AS to the grid. It may also be beneficial if the AESO were to reorganize the CSD report to better illustrate the resource types. For example, with the expected growth in solar, it should be taken out of the “Biomass and Other” section.</p> <p>ENMAX would also caution the AESO when referring to NERC as the standard to follow as there are instances where the unique nature of the Alberta Grid does not lend itself to use NERC experiences as a model to follow. This was the primary reason that Alberta and the AESO elected to adopt the Alberta Reliability Standards rather than accept NERC standards.</p>
4.	<p>Do you agree with the AESO recommendation of lowering the OR asset qualification thresholds to provide operating reserves for regulating reserve, spinning reserve, and supplemental reserve from the current requirement of 15 MW, 10 MW and 5 MW, respectively, to 1 MW? Why or Why not?</p>	<p>To reiterate ENMAX’s comments submitted to the AESO in October 2020, unless the OR market changes substantially and is no longer oversupplied, the added ability for dispatchable DER participation will not be attractive enough for similar reasons as why the energy market will not be attractive for small DERs under 5MW. Changes to the thresholds should not be considered in isolation. Furthermore, the AESO’s own expectation is that renewables will make up the bulk of DERs coming online. Given renewable intermittent resources cannot participate in the OR market, there does not appear to be a clear need for changing the asset qualification thresholds at this time.</p> <p>All assets participating in the OR market should be subject to the same technical requirements and obligations. That said the AESO must consider the impacts of smaller asset participation. For regulating reserve, the dispatch tolerance is ± 1 MW for regulating reserve ranges less than 20 MW. In theory, a small resource could be paid for providing RR yet not move at all in response to a directive.</p> <p>ENMAX will fully participate in the AESO’s OR market review consultation which is expected to kick off later in 2021. ENMAX submits that no changes should be made for DERs < 5 MW in advance of that consultation.</p>
5.	<p>Do you agree with the AESO recommendation of allowing small DER (1 to 5 MW) participation in the OR market without a requirement to submit offers in the energy market? Why or why not.</p>	<p>These units must meet the technical requirements and be subject to similar ISO rules to enhance reliability of the grid. Allowing these units to only participate in the OR market and not be required to offer and comply in the energy market is not in keeping with a level playing field approach and would be considered preferential treatment.</p> <p>ENMAX is concerned these smaller DERs may be less reliable to respond to directives, provide timely restatements and respond to the instructions of the AESO System Controller if given preferential treatment. This should be considered in the OR</p>

		review. See response to Question 4.
6.	Do you agree with the AESO recommendation of discontinuing exploration of aggregation options for small DERs in the energy market? Why or Why not?	While aggregation for energy market and OR market participation may not be a priority for the AESO at this time, it is permitted outside AESO systems much the same way as some demand response companies have operated. The AESO should remain open to further exploring future opportunities as new technology continues to be adopted and stakeholder interest increases in this area. Third party aggregators may be able to operate and develop systems more efficiently and cost effectively that would reduce the burden on the AESO.
7.	Do you agree with the AESO recommendation of discontinuing exploration of aggregation options for small DERs in the OR market? Why or Why not?	See response to Question 6.
8.	In your view, what is the priority and pace required to progress the recommendations? Do they need to be progressed now or can they be implemented in the future? Please comment.	Market design stability should remain a priority. Recommendations that result in minimal disruption to the current framework may be progressed but there needs to be a clear cost/benefit disclosure prior to pursuing. ENMAX would like to see clear cost estimates for the AESO to implement the approach to understand the expected timelines and any potential disruption to existing systems. The AESO should also have a good understanding of the willingness of the owners of small DERs to participate and should provide an assessment of the likely price impacts. As noted above, ENMAX recommends that no changes be made in respect of small DERs before the OR market consultations have been concluded.
9.	Do you have any concerns or suggestions on the DER market participation process and timeline? Please comment.	ENMAX does not see an urgency to push for this initiative and would like it implemented with careful thought vs. a rushed timeline. Changes to market constructs should not be made hastily as they can have longer term implications for Alberta's market and its transmission and distribution systems. We reiterate that there is no need to make any changes to the OR market in advance of the upcoming consultation.
10.	Do you have any other suggestions or comments you would like to share on DER market participation or the engagement activities? Please comment.	<p><u>AESO DER Roadmap – Prioritization of Initiatives</u></p> <p>ENMAX appreciates the AESO's ongoing efforts to increase coordination between DFOs, TFOs and the AESO, to ensure the safe and reliable operation of the AIES as the adoption of DERs continues to grow.</p> <p>To ensure that analysis remains focused and industry is able to allocate their time and resources towards priority initiatives, the driver behind each initiative should be based</p>

		<p>on current need and pace at which DER technologies are most impactful on the grid. Otherwise, certain initiatives should be deferred until the need arises, given that technology and consumer preferences may shift and create different needs and priorities.</p> <p>New rules or reporting requirements will result in additional processes and costs for participants to implement. Any AESO developed DER and storage rules should not infringe on the DFO's ability and obligation to continue managing their respective systems.</p> <p>Regarding the sharing of DER data and the modeling of DERs, ENMAX is not convinced that there will be benefits to the level of granularity that the AESO seems to be suggesting. The output of small DERs will be dependent on small-scale phenomena, and coupled with the number of such resources, modeling at the individual-asset level will be effectively impossible. The probabilistic analysis of aggregated small-DER data at the substation level should be adequate for operations and reliability modeling purposes.</p>
--	--	--

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