

Stakeholder Comment Matrix – February 23rd, 2021

DER Market Participation Draft Recommendations



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| <p>Period of Comment: February 17th, 2021 through March 17th, 2021</p> <p>Comments From: Canadian Renewable Energy Association (CanREA)</p> <p>Date: 2021/03/17</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 March 17th, 2021.**

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

| | Questions | Stakeholder Comments |
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| 1. | <ol style="list-style-type: none"> 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. b) If significant barriers to participation in the energy and/or OR markets remain, what are they? Please comment. | <ol style="list-style-type: none"> a) The use of a single category (“Small DERs”) to refer to both distribution-connected generation (DCG) and distribution-connected energy storage between 1 – 5 MW is not reasonable. As CanREA has previously made clear, energy storage is a unique technology, and it is neither fair nor efficient to compare it to other technologies. In the ISO tariff, load, generation and provincial interties are all considered different technologies and receive different tariff treatment. Storage is unique and it is both fair and efficient to treat it uniquely in the ISO tariff. If this unique treatment is not achieved, it is likely that only regulated transmission and distribution facility owners will make storage investments, meaning their full range of services will not be deployed to benefit the grid. b) The fundamental obstacle to energy storage participation in either the energy or OR market is that the current tariff framework, with application of both DTS and STS to energy storage, renders storage uneconomic. |

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| 2. | 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. | Yes – CanREA concurs with the AESO’s rationale for maintaining the present 5 MW threshold for the must-offer requirement. |
| 3. | 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. | Yes – CanREA supports expanding voluntary participation opportunities to a wider size of assets which will allow market participants to make the best decisions for their facility, thereby increases competition and market efficiency. |
| 4. | 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? | Yes – The current requirements exclude facilities (notably energy storage) that could reliably supply OR at potentially lower costs than current suppliers and therefore the thresholds should be reduced. |
| 5. | 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. | Yes – This is a reasonable compromise. We concur with the AESO’s view that introducing a requirement for Small DERs to participate in the energy market while concurrently participating in the OR market would increase regulatory burden and may be viewed as a barrier to participation. We do not perceive a benefit from a system operations standpoint in restricting small DERs’ ability to choose which market in which to participate. |
| 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? | No – Aggregated participation in the energy market is technologically viable and could potentially form part of the revenue stack for energy storage below the proposed minimum 1 MW threshold for voluntary participation. CanREA recommends that exploring aggregation options be allowed to continue, including through AESO-funded demonstration projects, collaboration with academic institutions and industry researchers, and continuous reviewing of industry best practices from other jurisdictions where small-scale DER aggregation is well established – For example, the Australia Energy Market Operator’s VPP demonstrations. |
| 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? | Yes – Moving this exploration of aggregation options to the OR Market Design consultation would be a reasonable step forward. |
| 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. | |

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| 9. | Do you have any concerns or suggestions on the DER market participation process and timeline? Please comment. | |
| 10. | Do you have any other suggestions or comments you would like to share on DER market participation or the engagement activities? Please comment. | |

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