

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: URICA Asset Optimization</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>Yes – however, from the standpoint of small DER, barriers to participation in the energy market are currently not that high. On the OR side the changes suggested obviously are a benefit to dispatchable small DER that has the ability to meet the OR market requirements, respond to dispatches and (likely) the ability to be operated remotely. In general it is hard to really ascertain how much of a benefit this actually will be to small DER based on the amount of non-dispatchable assets that are expected be added to the grid; however, while a positive change for small DER this is likely not a game changer.</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>No –UAO feels that if assets under 5 MW are going to participate in the OR market then they should also be under the energy market must offer requirements. Reducing the volume of small DER passively participating in the energy market is a benefit to the system controllers and AESO planning. UAO is unclear as to the rationale used to determine that a small DERs intending to participate in the OR market which will be required to meet appropriate technical and SCADA standards/requirements for OR qualification, including the ability to meet OR dispatches and directives should not be under the energy must offer requirement.</p>

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.	No – as per our thoughts regarding participation in the OR market UAO believes that the ability to participate in the OR market should come with the need to must offer in the energy market. Voluntary participation should only be allowed if an asset has determined they will not participate in the OR market. Further to this, if an asset decides to initially to offer into the energy market then decides to change their mind, how is this managed? UAO is unsure why the AESO is choosing to creating unnecessary vagueness when a standard must offer threshold could be implemented. If the AESO feels that the costs outweigh the benefits for small DERs on this front then I guess the question is why are they going down this path? If the cost/benefit threshold is based on size of DER then should the 1 MW value be increase as opposed to adding ambiguity to an ISO rule?
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 – In theory this change will provide added revenue potential for Small DER and increase market participation. At the same time, UAO does have some concerns regarding the compliance obligations and performance standards and tolerance bands for 1 MW assets. UAO is looking towards the AESO’s upcoming OR market design engagement to gain further understanding of the proposed changes and how they will align with the current AESO suggestions.
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.	No - UAO does not agree with this concept. In principle it does not make sense to allow small DER or any asset to participate in the OR market without submitting offers in the energy market – UAO is unsure why the AESO would bifurcate these two commitments. In reality if an asset is offering into the OR market, they should be required to offer into the energy market both to allow for visibility of the assets AC but to also ensure that all participants in both markets are operating under the same principles and rules. If an asset can accept a dispatch for OR then they should have a corresponding energy offer in the market/system, there is really no rationale for this separation of requirements. Furthermore, if an entity considers the potential cost and effort required to provide OR is logical from cost/benefit perspective, they should be also submit energy offers without it being a cost barrier.
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?	Yes – UAO does not see a significant benefit for small DER at this level to participate in the energy market and at this time does not see this as a market need or a high priority concern for small DER.
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 - UAO agrees that at this time that aggregation below 1 MW is not a high priority considering the amount and breadth of other positive changes being recommended by the AESO as part of the small DER recommendations.

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.	UAO believes the AESO recommendations should be moved forward at a measured pace, while the changes proposed are important and will allow for a more robust market, UAO believes the AESO should exercise caution with their implementation schedule to ensure that consideration has been given to other ongoing engagements and regulatory/compliance requirements ensuring alignment across all areas. Also, the AESO will be conducting an OR Market Review in late 2021 which will likely impact the proposed changes in this engagement.
9.	Do you have any concerns or suggestions on the DER market participation process and timeline? Please comment.	As currently stated the AESO is scheduled to respond to stakeholder feedback and provide a final recommendation in April 2021 – this feels like an extremely brisk timeline especially considering the alignment this process has with other ongoing engagements that have faced considerable delays.
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.