

Stakeholder Comment Matrix – Feb 25, 2020

Request for feedback on sub-hourly settlement, session 1 material



Period of Comment: Feb. 25, 2020 through Mar. 13, 2020 Comments From: ENMAX Corporation Date: [2020/03/13]	Contact: [REDACTED] Phone: [REDACTED] Email: [REDACTED]
---	--

The AESO is seeking comments from stakeholders on its approach to reviewing sub-hourly settlement, and content from Session 1.

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 matrix to stakeholder.relations@aeso.ca by Mar. 13, 2020
4. Stakeholder comments will be published to aeso.ca, in their original state, with personal or commercially sensitive information redacted, following Mar. 13, 2020.

	Questions	Stakeholder Comments
1.	Please describe why you are interested in sub-hourly settlement and how it affects your business.	<p>Businesses within ENMAX Corporation (ENMAX) would be directly impacted by a change to the settlement interval. ENMAX, through its subsidiaries, is a generation owner and developer, transmission and distribution facility owner (utility), and a retailer that supplies and bills end use consumers.</p> <p>We are also interested in the impacts to the import and export of energy, which may be overlapping with the AESO’s initiative regarding Priced Interties.</p>
2.	Is your organization a load, supplier, both a load and supplier, a billing agent, or other. If other, please describe.	<p>ENMAX, through its subsidiaries, is a generation owner and developer, transmission and distribution facility owner (utility), and a retailer that supplies and bills end use consumers. In addition, ENMAX is a consumer of energy at its facilities.</p> <p>Of note, ENMAX is a Load Settlement Agent (LSA). The potential for LSA system changes may create additional complexities that could drive new costs. In order to make investments and recover these costs, ENMAX requires a clear understanding of both the scope of this initiative and the impact on future settlement requirements.</p>

	Questions	Stakeholder Comments
		All costs associated with a regulated entity will need to be approved in a regulatory process.
3.	The AESO has described the scope for this process, general agenda items and timing for upcoming stakeholder engagements. Please describe if you believe the scope is appropriate. If not, please describe/provide your rationale.	<p>The AESO's proposed engagement process is ambitious, and the scope is not yet well defined.</p> <p>Additional work should be considered to better understand why a change to the existing settlement interval is needed and if it should be extended all the way down to the small generator and consumer.</p> <p>A clear definition of the problem is required, this may result additional "solutions" being proposed that may not necessarily require settlement interval changes.</p>
4.	At the session, the AESO outlined the objectives of the sub-hourly settlement, which was to improve price fidelity and incent flexibility. Do you have any comments on the objectives of the sub-hourly settlement engagement?	See ENMAX response to 3 and 5. While improving price fidelity and increasing flexibility have been identified by the AESO as possible benefits, the AESO should consider what metrics will need to be developed to measure the success of this initiative.
5.	<p>Are there considerations other than the following that should be taken into account to determine the value in moving to sub-hourly settlement interval?</p> <ul style="list-style-type: none"> • The expected enhancement in price fidelity and flexibility • The expected financial impact on loads and generators • Implementation costs for the AESO and market participants • Timing required to transition to a sub-hourly settlement interval 	<p>See ENMAX response to 4. A further exploration on the steps is needed to define the problem and assess how investment into sub-hourly settlement would be useful as a solution. Although the previous capacity market work uncovered the notion this issue was a priority issue for the market, this may need to be revisited in context of the other contemplated changes and priorities. Currently, ENMAX does not view this initiative as an urgent priority.</p> <p>Implementation costs hinge on the scope, which would be different if the AESO limited the scope to the bulk/wholesale system level.</p> <p>ENMAX will provided additional comments once the scope and problem are further considered.</p> <p>In addition to AESO implementation costs, what other tools would the AESO System Controller be seeking to respond to a change in load behaviours? Would load customer usage need to be displayed on the AESO CSD page? Would new ISO rules be required which in turn, create more proceedings in front of the AUC?</p>

	Questions	Stakeholder Comments
6.	Please describe the size of your business in the approximate total MWhs consumed or produced in 2019.	The AESO has access to generation data for ENMAX assets, and we can provide this data separately if required.
7.	Do you currently have interval metering installed in your operations? If yes, please describe the approximate volume of your business that was measured using interval meters in 2019.	Yes. Some at ENMAX facilities. Interval meters alone are insufficient to access the potential benefits of a change in settlement interval. Consumers will also need access to real time load levels and price signals to understand if a change in behavior is in their interest. Then, the ability to action a timely response is also required. Not all loads have this ability in all situations. For consumers, the utility, and the retailers, additional infrastructure and data management investments will be required if the AESO intends to extend scope beyond the bulk/wholesale system level.
8.	Can you identify which of the following elements will be affected by the implementation of sub-hourly settlements at five-minute intervals ? <ul style="list-style-type: none"> • Metering • IT systems • Data storage • Other 	The impacts will depend on the scope of the initiative. There will also be costs associated with a requirement to communicate and educate customers and implement change management procedures to enable customers to change behavior. We view the government as the best positioned to engage Albertan consumers and pay for this outreach and education. ENMAX will help with the development of customer friendly communications. There may also be a need to alter existing contractual arrangements which will also create costs. These and other related costs are ultimately borne by consumers.
9.	For each of the elements listed in question 8 above, please describe the changes that would be required for your business.	More time and information is required for ENMAX to identify all changes and impacts for each line of business. A clear understanding of the scope of the initiative is required to do a thorough estimate of costs. See ENMAX response to 2.
10.	The AESO is looking to understand the magnitude of costs during this initial phase. For each of the elements listed in question 8 above, please provide estimates of the cost required to implement these changes. If you are unable to provide cost estimates, please indicate when you can do so.	See response to 9 and 2.

	Questions	Stakeholder Comments
11.	For each of the elements listed in question 8 above, please describe the timing required to implement these changes.	See response to 9 and 2
12.	<p>Can you identify which of the following elements will be affected by the implementation of sub-hourly settlements at 15-minute intervals?</p> <ul style="list-style-type: none"> • Metering • IT systems • Data storage • Other 	See response to 8
13.	For each of the elements listed in question 12 above, please describe changes that would be required for your business.	See response to 9
14.	The AESO is looking to understand the magnitude of costs during this initial phase. For each of the elements listed in question 12 above, please provide estimates of the cost required to implement these changes. If you are unable to provide cost estimates by the end of the comment period (March 13, 2020), please indicate when you can do so.	See response to 10
15.	For each of the elements listed in question 12 above, please describe the timing required to implement these changes.	See response to 11
16.	The AESO has described some challenges that may impact market participants. Are there other challenges that have not been identified that are unique to the market participant or in general?	<p>See response to 7.</p> <p>In a future model:</p> <p>Any secondary impacts to the Ancillary Services market may require some consideration.</p> <p>Associated incremental dispatch activity (AS and Energy market dispatches for loads and generators) may warrant some review of the existing ISO rules and overall compliance framework.</p>

	Questions	Stakeholder Comments
17.	<p>Should sub-hourly settlement apply to all market participants? Is it fair for sub-hourly settlement to only apply to a subset of market participants?</p>	<p>This depends on the scope and the associated ISO rules that would be developed to have loads respond to prices. Not all load customers are the same, and it is challenging to treat them all the same, yet there should be some elements of symmetry between loads and generators in the ISO rules approach.</p>
18.	<p>Does payment to suppliers on the margin (PSM) sufficiently incent generator response without sub-hourly settlement? If we move to sub-hourly settlement, is PSM still required to address the mismatch between settlement and dispatch interval?</p>	<p>PSM is adequate under the current model, and a similar concept for loads may warrant some study by the AESO. This would depend if it were to solve the problem that the AESO is trying to address with sub-hourly settlement.</p> <p>Something that encourages increases variation of load may create secondary impacts which will need to be well understood by the AESO and participants.</p>
19.	<p>Are there any other benefits that have not been identified? Please elaborate.</p>	<p>No comment at this time.</p>
20.	<p>Is the approach used for this engagement effective? If no, please provide specific feedback on how the AESO can make these sessions more constructive.</p>	<p>ENMAX supports the engagement activities and would appreciate a formal AESO feedback loop in response to the comments in the published matrix. This could be “what we heard” document or another matrix that summarizes and groups stakeholder views and includes an AESO response.</p>
21.	<p>The AESO seeks to be transparent through this stakeholder engagement process and would like to publish all information as received. Is the information provided in this feedback suitable to be published by the AESO on aesocanada.ca? If no, please indicate the sections of your response that should be redacted?</p>	<p>Yes.</p>
22.	<p>Please provide any other comments you have related to the sub-hourly settlement engagement.</p>	<p>Before any significant cost data collection and analysis is undertaken by stakeholders, the AESO needs to identify the problem (Phase 1 – Problem Identification) they intend to fix by shortening the settlement interval. Providing a thorough process for cost-benefit analysis may be needed for the various solution scenarios (or scopes) that are being contemplated. Large and ill-defined scope will drive higher costs.</p> <p>Implementation lead times are also an important factor in costs. Costs go up with more aggressive deadlines.</p>

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