

Stakeholder Comment Matrix – October 15th, 2020

DER Market Participation Options



<p>Period of Comment: October 15th, 2020 through October 30th, 2020</p> <p>Comments From: ENMAX 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. Email your completed comment matrix to stakeholderrelations@aeso.ca by **October 30th, 2020**.

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

	Questions	Stakeholder Comments
1.	In your view, are there barriers or issues with DER participation in the energy and/or OR market that should be addressed now? What are those barriers or issues and how should they be best addressed?	See ENMAX responses below.
2.	Is it important for market participation for DER/small DCG to be addressed with market design changes now, or can this be deferred into the future? Can you identify priority items that should be addressed first?	See ENMAX response to questions 3 and 4.
3.	If voluntary energy market participation were to be permitted for small DER (<5MWS), would you anticipate parties to use the opportunity to directly participate in the energy market? i.e. submit bids and offers, accept and respond to dispatches, comply with all applicable ISO rules? Why or why not? Please explain.	Unless the benefits of participating in the market outweigh the additional costs that would arise from having to bid the asset into the market and comply with market-related ISO rules, parties are unlikely to participate voluntarily. Costs include staffing 24x7, metering requirements and developing ISO rule compliance related systems.
4.	a) Do you support lowering the minimum market participation thresholds in the energy and/or operating reserves markets? Please provide rationale as to why or	a) ENMAX does not see enough benefit for lowering the minimum market participation thresholds in the energy and/or operating reserves markets at this time.

	<p>why not. If yes, to what level?</p> <p>b) Do you support lowering the minimum market participation thresholds now, or at a future date? Please explain.</p>	<p>The current penetration levels of DERs less than 5 MW remain negligible and lowering the minimum market participation thresholds would impose additional costs and processes onto small DERs – many of which are intermittent generation.</p> <p>Small DERs are already able to indirectly participate in the market under the <i>Micro-Generation Regulation</i>, and select market price signals where they see an opportunity to profit and self-dispatch accordingly. The <i>Small Scale Generation Regulation</i> also provides smaller DERs with an avenue to access the electricity market with lesser requirements that would otherwise make it too burdensome for small scale units to connect.</p> <p>Unless the operating reserve 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.</p> <p>b) See response above. Before any future change is contemplated, a clear definition of the problem or issue the AESO is intending to solve should be identified. Additional work would also be required to better understand if a change to the minimum threshold should be extended down to small DERs.</p>
5.	<p>If market participation thresholds are lowered for energy and/or operating reserve market participation, is there a need to review aggregation rules surrounding market participation (outside of aggregation for the purpose of meeting the market participation threshold)? Please explain.</p>	<p>Yes, if market participation thresholds are lowered for energy and/or operating reserve market participation then aggregation rules surrounding market participation should also be reviewed to avoid any unintended consequences. Any changes should avoid exacerbating issues relating to self-supply and export and should not introduce new congestion challenges on the distribution or transmission systems.</p>
6.	<p>When considering aggregation, has the AESO missed any essential components?</p>	<p>If connected at the distribution level, there are always going to be potential issues of reliability within the DFO's control and DERs will need to understand the dynamic nature of the distribution system where they may not always be able to export to the grid. The AESO will not necessarily be in the position to control the generation assets and DERMS type investments may need to be made in some circumstances.</p>
7.	<p>Do you have any concerns or suggestions on the DER market participation process and timeline?</p>	<p>Changes to market constructs should not be made hastily as they will have immediate and long-lasting implications for Alberta's market. That said, the market design should not be touched, and stability is required.</p>

8.	Do you have any other suggestions or comments you would like to share on DER market participation or the engagement activities?	<p>It is important to highlight that the <i>Micro-Generation Regulation</i> is a key enabling regulation in Alberta and as noted in the October 14 presentation, DER connection and operation should continue to be permitted under this regulation without additional burdens on DERs.</p> <p>Any AESO developed DER and storage rules should not infringe on the DFO's ability and obligation to continue managing their respective systems. ENMAX supports the development of an AUC-vetted DFO-specific roadmaps that enables the paced and efficient integration of DERs within respective distribution systems.</p>
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Thank you for your input. Please email your comments to: stakeholderrelations@aeso.ca.