

<b>Period of Comment:</b> March 1, 2021 through March 31, 2021	<b>Contact:</b> Mark McGillivray
<b>Comments From:</b> ENMAX Corporation	<b>Phone:</b>
<b>Date:</b> 2021/03/31	<b>Email:</b> <a href="mailto:MMcGillivray@enmax.com">MMcGillivray@enmax.com</a>

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments, if any. Blank boxes will be interpreted as favourable comments.

**The AESO is seeking Stakeholder comments regarding the following questions related to the development of proposed amendments to ISO rules to enable energy storage (“Energy Storage ISO Rule Amendments”):**

	Development of a Proposed ISO Rule	Stakeholder Comments
1.	Do you agree or disagree that the issue identified in the letter of notice requires the proposed Energy Storage ISO Rule Amendments? Why or why not? Please comment.	ENMAX agrees that some rule changes will be required to allow for energy storage to participate in the Energy and OR markets; however, until we see the specific wording of the rules, it remains unclear if all the required changes have been identified.
2.	Do you agree or disagree with the potential purpose of the proposed Energy Storage ISO Rule Amendments? Why or why not? Please comment.	The potential purpose of the proposed amendments appears reasonable on the surface, but the detailed drafting of the rules may raise more questions and issues that have not yet been contemplated.
3.	Do you agree or disagree with the proposed consultation activities? Why or why not? Please comment.	<p>Agree.</p> <p>While outstanding issues relating to the future tariff structure, self-supply and export policy, and other potential uses of energy storage in a non-market application remain outside of this consultation, these issues can be of significant importance to some potential developers and may need to be contemplated in the future energy storage framework.</p>
4.	Do you have any comments in relation to the prioritization of the development of the proposed Energy Storage ISO Rule Amendments or the related timeline? Please comment.	<p>The rules should be implemented with careful thought vs. a rushed timeline and remain justifiable and relevant to the market. Market design stability should continue to be a priority.</p> <p>As alluded to by the AESO, there are a number of interdependencies (slide 38) at play and these topics will require continued coordination. Timelines may need to be shifted should AESO assumptions change.</p> <p>Details surrounding the potential tariff treatment of storage resources (which was not discussed at the session) is an important element and ongoing developments in this area will impact stakeholder views.</p>
5.	Do you agree or disagree with the AESO's recommendation regarding hybrid asset participation? Why or why not? Please comment.	See response to Question 9.
6.	Do you agree or disagree with the AESO's recommendation regarding full-range participation? Why or why not? Please comment.	See response to Question 9.

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7.	Do you agree or disagree with the AESO's recommendation regarding energy storage state of charge requirements? Why or why not? Please comment.	See response to Question 9.
8.	Do you agree or disagree with the AESO's recommendation regarding energy storage commissioning requirements? Why or why not? Please comment.	See response to Question 9.
9.	Do you have any additional comments?	<p>It should be clear that the AESO's assumption that "storage will be a market asset that may provide non-wires solutions, rather than a regulated asset capable of participating in the energy and ancillary services markets"<sup>1</sup> only applies to market participation. The assumption should not be applied generally to storage assets given that there are other potential uses of energy storage in a non-Energy market or non-OR market application (which remains out of scope for this particular initiative and any related ISO rule amendments). While regulated entities may not participate in the energy and AS markets, the regulatory framework should remain flexible to allow for the investment and deployment of energy storage where it makes economic sense to do so and should accommodate both utility and non-utility ownership to provide products or services with this infrastructure.</p> <p>The above notwithstanding, the AESO's recommendations appear reasonable; however, clarity is required on the actual details associated with the implementation of each recommendation. The technical rules and practices will have direct impacts on a market participants' operations; therefore, these details must be fully reviewed and understood by stakeholders before being implemented. ENMAX will participate in the AESO's upcoming consultations pertaining to the development of energy storage rules.</p> <p>The consultation plan should remain flexible and focus on priority initiatives, as well as allocate enough time for stakeholders to consider and provide feedback on each rule.</p>

<sup>1</sup> Long-term Energy Storage Market Participation Draft Recommendation, Section 1.3.3.