

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2



Period of Comment: Sept. 24, 2020 through Oct. 8, 2020 Comments From: Energy Storage Canada Date: 2020/10/08	Contact: Justin W Rangooni, Executive Director Phone: 416.997.3095 Email: jrangooni@energystoragecanada.org
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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. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

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

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Yes, the session was valuable. The key drawback was the session was scheduled during Energy Storage Canada’s annual storage conference and many of our members could not attend.
2.	Are you supportive of the proposed engagement approach for the AESO’s Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	Generally, ESC supports the AESO’s proposed engagement approach. Energy Storage Canada is concerned that the activities and actions required to implement a storage specific tariff design will get overridden by broader regional and bulk tariff design change objectives. The engagement approach does not provide a framework to ensure that a storage tariff is not delayed by other AESO tariff activities.
3.	Do you support the AESO’s perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Energy Storage Canada does not have an opinion on 12-CP assuming a storage specific tariff design is adopted.

	Questions	Stakeholder Comments
4.	<p>Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.</p>	<p>The transmission system is primarily designed and built for peak capacity needs (i.e., the size of the wires is determined by the maximum flow). A bookend in the AESO's process should be peak charges for the few peak hours of the year (e.g., the 12 CP). Including more hours during times when the transmission system is not constrained does not align with the cost driver for system design and construction.</p>
5.	<p>Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible.</p> <p>Do you have additional clarifying questions that need to be answered to support your understanding?</p>	<p>Energy storage is an intermediary market participant (i.e., energy consumed is injected later for end-use consumption). Applying transmission system costs to energy storage will increase the cost for services provided by energy storage to the detriment of end-use customers (e.g., like a fuel tax). Further, transmission charges for storage devices will reduce market efficiency by distorting charge/discharge decisions. Unless instructed by the AESO for specific service provision (e.g., frequency response), energy storage will not consume when the transmission system is constrained. Instead, energy storage will increase the utilization of the existing transmission assets, defer the need for new transmission system investments and lower the cost of electricity service for end-use customers.</p> <p>Energy Storage Canada does not believe that the AESO has appropriately considered the intermediary participation type of energy storage as it relates to tariff treatment. Costs paid by storage resources will ultimately be re-applied to end-use customers since storage assets will pass the costs along. Unlike gas-fired generation which is an end-use customer of the gas pipeline network, energy storage operates solely to increase the efficiency of the existing system.</p> <p>Energy Storage Canada is interested in understanding what other options were considered for tariff treatment by the AESO and any reasoning on why they were eliminated.</p>
6.	<p>Additional comments</p>	

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