

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: Heartland Generation Ltd. (“Heartland Generation”)</p> <p>Date: 2021/03/17</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 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>In general, Heartland Generation supports initiatives that decrease barriers to entry while maintaining a level-playing field for all generators.</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>The AESO should provide a justification for the 5 MW threshold in first instance. The decision on whether to change the size threshold for mandatory participation in the energy market should be a separate discussion from the participation of distributed energy resources (DERs) in the energy market.</p> <p>The AESO should examine what the appropriate size of a participant should be and use that justification to set the minimum size threshold for mandatory participation. Other jurisdictions already have different participation size thresholds, and the AESO should justify why those size thresholds are inappropriate for the Alberta market.</p>
3.	<p>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.</p>	<p>From the consultation session, it is clear that the AESO needs to provide stakeholders with a concise definition for what “voluntary participation” means in this context. Once a participant elects to participate, how long is it “locked-in” to that election? Are there circumstances that would allow a selection to be changed?</p> <p>Further, Heartland Generation is always concerned when there appears to be a subset of a market that is accommodated through a separate set of rules/obligations. The AESO should consider whether a “bright-line” threshold (i.e., 5 MW) is more appropriate, whereby participants would know with certainty whether they will be participating in the market or not. A threshold of this kind would avoid project size gaming (e.g., a participant sizes just below a size threshold to retain optionality even though this may impede efficient sizing decisions).</p>

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?	The AESO should produce what evidence or support it has for lowering the operating reserves (“OR”) minimum thresholds for all products, and what impacts this will have on those markets. This is another decision, like size threshold for mandatory participation in the energy market, which should not only be considered in the context of DERs integration.
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.	Heartland Generation’s only concern with the proposed amendment relates to maintaining a level-playing field to ensure that the OR market operate in a manner that is fair, efficient, and openly competitive (“FEOC”). The AESO should provide justification that concludes that having a different set of requirements for small DERs to participate in the OR market without also participating in the energy market does not create an unfair advantage for small DERs.
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?	Heartland Generation has no comment at this time.
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?	Heartland Generation has no comment at this time.
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.	AESO should provide the market with the threshold that would trigger progress on these recommendations. DERs are primarily a reliability concern, and the AESO is in the best situation to advise on when recommendations need to be implemented.
9.	Do you have any concerns or suggestions on the DER market participation process and timeline? Please comment.	Heartland Generation has no specific comment on the DER market participation process or timeline. However, since the publishing of the Alberta Utilities Commission (AUC) final report in the Distribution System Inquiry ¹ there is an increased importance on this initiative; it may be helpful to stakeholders how the AESO will plan to coordinate any findings from the DER market participation consultation with the AUC, and how certain initiatives will be dealt with, or handed off, if they stray outside of the AESO’s jurisdiction.

10.	Do you have any other suggestions or comments you would like to share on DER market participation or the engagement activities? Please comment.	AESO acknowledged in the meeting that aggregate DERs would impact frequency on the system, this should be addressed in the DERs Roadmap. Further the AESO should include how it plans to coordinate DERs market participation with the broader consultations on frequency response and operational preparedness.
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Thank you for your input. Please email your comments to: stakeholderrelations@aeso.ca.

¹ AUC Decision 24116-D01-2021