

## Stakeholder Comment Matrix – October 15th, 2020

### DER Market Participation Options



<p><b>Period of Comment:</b> October 15<sup>th</sup>, 2020 through October 30<sup>th</sup>, 2020</p> <p><b>Comments From:</b> Heartland Generation Ltd. (Heartland Generation)</p> <p><b>Date:</b> [2020/10/30]</p>	<p><b>Contact:</b></p> <p><b>Phone:</b></p> <p><b>Email:</b></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?	Heartland Generation does not see overt barriers to DER participation in the energy and OR markets.
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?	Heartland Generation believes that there will be key information presented in the Alberta Utilities Commission's forthcoming findings paper regarding the Distribution System Inquiry (Proceeding #24116). As such, it may be prudent for the AESO to prioritize items based on the findings of the Distribution System Inquiry.
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.	Heartland Generation does not think a "grey area" of voluntary participation is warranted, and that the 5 MW threshold for mandatory participation should be reviewed. For further discussion on lowering the minimum market participation threshold, see the response to #4.
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) The energy market, and related markets (i.e. ancillary services markets), are premised on level-playing field and fair treatment of market participants. With the principles of fairness, efficiency, and open competition in mind, Heartland Generation suggests that it may be appropriate to lower the mandatory

	<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>participation threshold for generation technologies. Microgeneration is exempt from energy market participation, and Heartland Generation is not advocating for this aspect to change; however, the 5 MW threshold which allows “voluntary” participation in the energy market seems arbitrary and may attract inefficient investment decisions. For example, a single asset with a capacity of 4.9 MW does not have to comply with ISO Rules (including must-offer and must comply), while a generator of 5 MW or greater must comply with all ISO Rules and directly participate in the energy market. Therefore an investor may choose to build one or several assets under 5 MW in order to avoid compliance costs and mandatory market participation, even though a single asset greater than 5 MW may be more efficient.</p> <p>As such Heartland Generation suggests that a minimum market participation threshold of 1 MW may be an appropriate starting place for discussion. 1 MW would align with the energy market minimum block size for offers and declaration of available capacity. It may be appropriate for DER greater than 1 MW, which does not qualify as microgeneration, to be fully part of the energy markets.</p> <p>b) Lowering the minimum market participation threshold will likely force certain upgrades to AESO systems and controls. The AESO should include in the next update what steps and processes would need to change in order to integrate this change. If the work level suggested by the AESO is significant, it may not be possible to lower the minimum market participation level in the near-term. Since the adoption of DER is likely to increase in Alberta, grandfathering and lowering the minimum market participation threshold now will limit regulatory holdup.</p>
<p>5.</p>	<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>Heartland Generation does not have direct comments regarding the aggregation rules.</p>
<p>6.</p>	<p>When considering aggregation, has the AESO missed any essential components?</p>	<p>Heartland Generation does not have direct comments regarding the aggregation rules.</p>

7.	Do you have any concerns or suggestions on the DER market participation process and timeline?	Heartland Generation looks forward to the publication of the AESO's DER integration plan with prioritized activities. If the AUC publishes the Distribution System Inquiry report soon, Heartland Generation suggests that the AESO take guidance on the priorities and timeline from this document regarding the implementation of DER in energy markets.
8.	Do you have any other suggestions or comments you would like to share on DER market participation or the engagement activities?	Heartland Generation does not have any further comments at this time.

Thank you for your input. Please email your comments to: [stakeholderrelations@aeso.ca](mailto:stakeholderrelations@aeso.ca).