

2021 Long-term Outlook Scenarios – December, 2020

2021 Long-term Outlook Stakeholder Feedback



Period of Comment: December 15, 2020 through January 15, 2021	[REDACTED]
Comments From: Industrial Power Consumers Association of Alberta (IPCAA)	[REDACTED]
Date: 2021/01/13	[REDACTED]

Keeping with the mandate of providing safe, reliable and economic operation of the Alberta electricity system while facilitating a fair, efficient and competitive market for electricity, the AESO is developing the 2021 Long-term Outlook (LTO).

Given the challenges faced as a result of the COVID-19 pandemic and the low oil price, feedback provided to the AESO will be an important input into how we forecast Alberta's the near to long-term electricity. The AESO will use scenarios as a means of stress testing various market, technological, consumer behaviour, policy and economic outcomes, to assist stakeholders in understanding potential long-term future outcomes in the Alberta electricity market.

Please fill email your completed questionnaire to forecast@aeso.ca by January 15, 2021.

We value stakeholder input and thank you for sharing your perspective. In alignment with our Stakeholder Engagement Framework ([link](#)) all stakeholder submissions, in their original state with personal information redacted, will be published online at www.aeso.ca

Further stakeholder engagement on LTO scenarios and preliminary results can be expected as the AESO makes progress toward the anticipated publication date in Q2 of 2021.

Preliminary results will be based in part from stakeholder feedback received in June 2020.

The AESO thanks you for your time and appreciates your input.

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

	Questions	Stakeholder Comments
1.	Do the proposed LTO scenarios cover a reasonable range of plausible future outcomes? Which scenario do you think is more likely? Which one is less likely?	<p>The AESO continues to forecast and focus on Alberta Internal Load (AIL), not Alberta’s primary demand. The AESO focuses on oilsands production as the leading driver of load growth in Alberta. IPCAA agrees that oilsands production is an important element; however, the DTS load is no longer as synchronized with oilsands production as it was 5 years ago.</p> <p>DTS load actually flows on the wires system and influences the need for new transmission. This load also pays the transmission costs and impacts reliability of the system. It should be the focus of the AESO’s forecasting.</p> <p>Within the AESO document it is acknowledged that “electric vehicle charging is expected to add to winter peak load over time”. Thus, the AESO is expecting DTS peak to grow; however, there is no separate analysis on this.</p> <p>It would be worthwhile for the AESO to break out the components of the AIL into:</p> <ol style="list-style-type: none"> 1. Behind-the-fence load 2. DTS load <p>When undertaking its analysis, the AESO should provide both assumptions and explanations of why changes are occurring in both components.</p>
2.	Does the “Clean-Tech” scenario focus on the appropriate technologies and policies?	No comments at this time.
3.	Are there different scenarios that warrant inclusion?	On Slide 8 the AESO is predicting \$50/T by 2022 and escalating at 2% per year. This implies that by 2030 the Alberta carbon price will be close to \$60/T. Currently, the Federal Government is

		<p>proposing \$170/T by 2030.</p> <p>Due to the huge consequences of the discrepancy between the two visions, the AESO should consider either deferring its analysis or developing additional scenarios to address the difference possibilities.</p> <p>One of the scenarios should address the Federal Government's \$170/T carbon price and its myriad of implications on both new generation and load - such as boiler replacements and increased co-generation.</p>
4.	What long-term hydrocarbon demand projections do you think are reasonable for the Robust and Stagnant Global Oil & Gas Demand scenarios?	No comments at this time.
5.	Are there additional generation technologies that warrant inclusion in the 2021 Long Term Outlook Scenarios?	The Clean-Tech scenario should be adjusted to \$170/T by 2030 and should investigate the incentives created by the tradability of RECs across Canada. One option for the AESO would be to provide two Clean-Tech scenarios: one with the 2% escalation, the other with the \$170/T carbon price.
6.	Do you disagree with any of the assumptions in Slide 4 for any of the scenarios? If so, what would you propose?	The AESO should review the economic outlook in light of the proposed \$170/T carbon price.
7.	The AESO has not yet determined the quantum of change in the scenario variables. Do you agree directionally with the scenario assumptions? Do you have insights regarding the magnitude of scenario changes?	No comments at this time.