

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: ATCO Electric	[REDACTED]
Date: 2021/01/15	[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 reference case is based on IHS outlook, which is a provincial wide forecast. ATCO suggests that the reference case should recognize the differences among regions and provide forecast break-down for each region (it's probably included in the detailed LTO document).</p> <p>The reference case forecasts generation based on types, which introduces inherent regional specificity in generation forecast. Similarly, load forecast should also consider inherent regional specificity. It's appreciated that certain regional specificity has been considered in the high growth scenario (such as condensates in NW), ATCO believes that such regional specificity should be included in the reference case.</p>
2.	Does the "Clean-Tech" scenario focus on the appropriate technologies and policies?	<i>No comments.</i>
3.	Are there different scenarios that warrant inclusion?	Refer to Question 1. As the DFO in the NW area, ATCO has been seeing customer needs for electricity in that area that drive growth. ATCO also observes criteria violations and system constraints when customers need connections in the NW area. These all indicate that the reference case should recognize higher growth in NW due to the mix of O&G and condensates activities in that area.
4.	What long-term hydrocarbon demand projections do you think are reasonable for the Robust and Stagnant Global Oil & Gas Demand scenarios?	<i>No comments.</i>
5.	Are there additional generation technologies that warrant inclusion in the 2021 Long Term Outlook Scenarios?	AESO may consider more discussion on Energy Storage.

<p>6.</p>	<p>Do you disagree with any of the assumptions in Slide 4 for any of the scenarios? If so, what would you propose?</p>	<p>Since the slides do not have the details typically included in the published LTO, ATCO suggests more clarifications in the following areas:</p> <p>Slides 6 & 7: How is 'range' defined? It's interesting to observe that the 2021 LTO has a growth rate that's no more than the low range of the 2019 LTO reference case. What's the basis for such change given that the forecast is for the next 20 years?</p> <p>Slide 8: What's the criteria for project inclusion?</p> <p>Slides 9 & 10: how to correlate the DER forecast values on the two slides?</p> <p>Slide 9: Rooftop solar and less than 5 MW gas offsets is subtracted from the Average Load forecast. What's the impact of doing this and is there any distortion to the load forecast?</p>
<p>7.</p>	<p>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?</p>	<p><i>Directionally agree. However, low end of the forecast range is suggesting negative growth for the reference case, which means even lower growth than the stagnation assumption. What are the bases for such scenario? ATCO is of the view that stagnation should be the lower end of the forecast and negative growth would be too pessimistic.</i></p>