

2021 Long-term Outlook Scenarios – December, 2020

2021 Long-term Outlook Stakeholder Feedback

The AESO logo consists of the lowercase letters "aeso" in a white, sans-serif font, followed by a circular icon containing a stylized, multi-layered spiral or sunburst pattern.

Period of Comment: December 15, 2020 through January 15, 2021
Comments From: Sara Hastings-Simon and Blake Shaffer, School of Public Policy
Date: [2021/01/08]

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?	As written the “Cleantech” scenario is the most plausible reference case. For example the current Canadian policy is net zero by 2050. Given the importance of electrification a highly decarbonized electricity sector is already a part of the “current understanding of policy” and compatible with “technology landscapes”.
2.	Does the “Clean-Tech” scenario focus on the appropriate technologies and policies?	It should consider a much faster (2030/2035) timeframe for deep decarbonization. The most recent Canadian climate plan involves a \$170/t CO2 price by 2030, well above both the reference and clean-tech scenarios. The stated Canadian policy should be used. Also, renewables’ LCOE assumptions used tend to be conservative; the clean-tech scenario should include at least a 30% reduction in LCOE costs, as evidenced by persistent over-forecasting of renewable LCOE costs in the past.
3.	Are there different scenarios that warrant inclusion?	Transmission line build out. A 1000-1500MW expansion of AB/BC and/or 300-500MW expansion of AB/SK interties.
4.	What long-term hydrocarbon demand projections do you think are reasonable for the Robust and Stagnant Global Oil & Gas Demand scenarios?	The robust demand scenario as described (most optimistic for growth of pipelines/projects) has a much lower likelihood of happening than the stagnant scenario.
5.	Are there additional generation technologies that warrant inclusion in the 2021 Long Term Outlook Scenarios?	Not generation technology, but large scale battery storage (flow batteries, CASE, thermal storage)
6.	Do you disagree with any of the assumptions in Slide 4 for any of the scenarios? If so, what would you propose?	Significantly higher corporate procurement Carbon price that matches federal schedule as announced.

7.	<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>The reference scenario should be the most likely outcome, the magnitude of scenario changes in either direction should represent steps of equal outcome likelihood</p> <p>EV scenarios should include the potential implementation of a ZEV mandate with EV only sales by 2035.</p>
----	---	--