

## 2021 Long-term Outlook Scenarios – December, 2020

### 2021 Long-term Outlook Stakeholder Feedback



<b>Period of Comment:</b> December 15, 2020 through January 15, 2021	[REDACTED]
<b>Comments From:</b> Suncor Energy	[REDACTED]
<b>Date:</b> [2021/01/14]	[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](mailto: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](http://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>In principle we agree with the approach of developing scenarios that test different trajectories and levels of the more critical variables while providing a reasonable range of outcomes. This tends to spark more useful and meaningful conversations than simple high/low cases.</p> <p>The three chosen cases: robust global oil, weak global oil and energy transformation, seem adequate.</p> <p>Scenario probabilities are inherently subjective and would change as political, technological and societal changes unfold. One suggestion that can help to tackle this issue is to develop a set of signposts that are revised periodically and that indicate which of the scenarios is materializing or whether a completely new one is needed.</p>
2.	Does the “Clean-Tech” scenario focus on the appropriate technologies and policies?	<p>From the summary document provided, it seems that this scenario relies heavily on renewables, energy storage and distributed generation. These are not exclusive to the scenario, so it is really a matter of the degree and the speed of adoption by the grid. Focusing in these technologies is reasonable.</p>
3.	Are there different scenarios that warrant inclusion?	<p>The three proposed scenarios are adequate and provide a reasonable range. Overall however, some of the assumptions could be more differentiated and scenario-specific. We discuss some of these in our response to questions 6 and 7.</p>
4.	What long-term hydrocarbon demand projections do you think are reasonable for the Robust and Stagnant Global Oil & Gas Demand scenarios?	<p>Leveraging long-term outlooks from reputable sources such as IHS is probably a good approach, however it seems that the “worst” outcome considered for oil sands growth is a flat profile. It would be interesting to explore a future where oil production peaks, either in the “stagnant” or the clean technology scenario.</p>
5.	Are there additional generation technologies that warrant inclusion in the 2021 Long Term Outlook Scenarios?	<p>The role of hydrogen within a greener economy is a topic gaining traction recently and should be explored.</p>

6.	Do you disagree with any of the assumptions in Slide 4 for any of the scenarios? If so, what would you propose?	<p>The recent federal announcement of \$170/t carbon price by 2030 should be acknowledged in either the reference case or one of the scenarios.</p> <p>There may be differences in the coal to gas conversion choices depending on the scenario, which should be investigated.</p>
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?	<p>All of the “Renewables and Storage” and “Emerging Trends” assumptions are unchanged in the robust and weak growth scenarios. We are not convinced this is accurate as there may be differences in the speed and level of adoption of technologies under different scenarios. For instance, a stagnant global oil demand could be paired with a higher and faster conversion to electric vehicles.</p> <p>At a minimum, maintaining unchanged assumptions would require a thorough explanation.</p>