

Stakeholder Comment Matrix – Feb 25, 2020
Request for feedback on sub-hourly settlement, session 1 material



Period of Comment: Feb. 25, 2020 through Mar. 13, 2020	Contact: [REDACTED]
Comments From: Powerex	Phone: [REDACTED]
Date: 3/4/2020	Email: [REDACTED]

The AESO is seeking comments from stakeholders on its approach to reviewing sub-hourly settlement, and content from Session 1.

- 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 matrix to stakeholder.relations@aeso.ca by Mar. 13, 2020*
- 4. Stakeholder comments will be published to aeso.ca, in their original state, with personal or commercially sensitive information redacted, following Mar. 13, 2020.*

	Questions	Stakeholder Comments
1.	Please describe why you are interested in sub-hourly settlement and how it affects your business.	<p>Powerex is an external supplier and purchaser to/from the Alberta market. Powerex schedules energy into and from the Alberta market across the BC-Alberta intertie and at times the Montana and Saskatchewan ties. Powerex also sells the surplus capability of the Fort Nelson Generation combined-cycle gas plant in Northeast BC into the AESO market. As described by the AESO in the February 25th, 2020 Sub-hourly Settlement presentation, amendments to the AESO's settlement window will likely result in amendments to the intertie scheduling interval.</p> <p>Powerex has experience as an external supplier to Centrally Administered markets with sub-hourly settlement and dispatch intervals. Amendments to both the intertie scheduling and settlement window will impact Powerex's scheduling practices.</p>
2.	Is your organization a load, supplier, both a load and supplier, a billing agent, or other. If other, please describe.	<p>Powerex is an external participant to the Alberta market. Powerex participates within the Alberta market via the BC-Alberta intertie primarily. (Please see further detail in Powerex's response 1)</p>
3.	The AESO has described the scope for this process, general agenda items and timing for upcoming stakeholder engagements. Please describe if you believe the scope is appropriate. If not, please describe/provide your rationale.	<p>In general, the AESO has done a good job in providing information related to the timing for upcoming stakeholder engagement.</p> <p>The AESO did note within the February 25th, 2020 Sub-hourly Settlement presentation that a shorter settlement will likely coincide with a shorter e-tag window and priced interties. It would be worthwhile discussing the shorter settlement window for intertie transactions in conjunction with a shorter e-tag window and priced interties, as the topics are inter-related.</p>

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4.	<p>At the session, the AESO outlined the objectives of the sub-hourly settlement, which was to improve price fidelity and incent flexibility. Do you have any comments on the objectives of the sub-hourly settlement engagement?</p>	<p>Among other things, the AESO identified in the February 25th, 2020 Sub-hourly Settlement presentation that one of the values to sub-hourly settlement is that it would incent flexibility by benefiting price responsive resources.</p> <p>As an intertie participant, Powerex is a flexible, price responsive resource to the Alberta market.</p> <p>However, in order for the Alberta market to benefit from price responsive import supply, a shorter settlement window needs to take into consideration the mechanics and challenges associated with:</p> <p><i>(Please note that the below listed points are not mutually exclusive and should be considered collectively)</i></p> <ul style="list-style-type: none"> (1) Varying Intra-hour schedules on an E-tag; (2) Priced imports; (3) Transmission timing requirements and priority; <i>(i.e. BCH-AESO coordinate on ATC and curtail confirmed E-tags based on OATT priority)</i> (4) Market Timelines; <i>(forecast timing; award timing; amendments to energy, price and e-tags; advisory dispatch)</i> (5) Bidding settlement pricing for energy; <i>(also known as bid cost recovery)</i> (6) Intertie dynamic scheduling

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5.	<p>Are there considerations other than the following that should be taken into account to determine the value in moving to sub-hourly settlement interval?</p> <ul style="list-style-type: none"> • The expected enhancement in price fidelity and flexibility • The expected financial impact on loads and generators • Implementation costs for the AESO and market participants • Timing required to transition to a sub-hourly settlement interval 	<p>On top of the AESO's listed considerations, Powerex reiterates the challenges listed in its response to question 4.</p> <p>The list notes a number of considerations the AESO should contemplate when moving toward a shorter settlement window for import supply:</p> <p><i>(Please note that the below listed points are not mutually exclusive and should be considered collectively)</i></p> <ul style="list-style-type: none"> (1) Varying Intra-hour schedules on an E-tag; (2) Priced imports; (3) Transmission timing requirements and priority; <i>(i.e. BCH-AESO coordinate on ATC and curtail confirmed E-tags based on OATT priority)</i> (4) Market Timelines; <i>(forecast timing; award timing; amendments to energy, price and e-tags; advisory dispatch)</i> (5) Bidding settlement pricing for energy; <i>(also known as bid cost recovery)</i> (6) Intertie dynamic scheduling
6.	<p>Please describe the size of your business in the approximate total MWhs consumed or produced in 2019.</p>	<p>N/A</p>
7.	<p>Do you currently have interval metering installed in your operations?</p> <p>If yes, please describe the approximate volume of your business that was measured using interval meters in 2019.</p>	<p>N/A</p>

	Questions	Stakeholder Comments
8.	<p>Can you identify which of the following elements will be affected by the implementation of sub-hourly settlements at five-minute intervals?</p> <ul style="list-style-type: none"> • Metering • IT systems • Data storage • Other 	N/A
9.	For each of the elements listed in question 8 above, please describe the changes that would be required for your business.	N/A
10.	The AESO is looking to understand the magnitude of costs during this initial phase. For each of the elements listed in question 8 above, please provide estimates of the cost required to implement these changes. If you are unable to provide cost estimates, please indicate when you can do so.	N/A
11.	For each of the elements listed in question 8 above, please describe the timing required to implement these changes.	N/A
12.	<p>Can you identify which of the following elements will be affected by the implementation of sub-hourly settlements at 15-minute intervals?</p> <ul style="list-style-type: none"> • Metering • IT systems • Data storage • Other 	N/A
13.	For each of the elements listed in question 12 above, please describe changes that would be required for your business.	N/A

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14.	The AESO is looking to understand the magnitude of costs during this initial phase. For each of the elements listed in question 12 above, please provide estimates of the cost required to implement these changes. If you are unable to provide cost estimates by the end of the comment period (March 13, 2020), please indicate when you can do so.	N/A
15.	For each of the elements listed in question 12 above, please describe the timing required to implement these changes.	N/A
16.	The AESO has described some challenges that may impact market participants. Are there other challenges that have not been identified that are unique to the market participant or in general?	<i>Please refer to Powerex response to questions 4 and 5 above for the challenges and considerations associated with the impact of a shorter settlement window for import supply.</i>
17.	Should sub-hourly settlement apply to all market participants? Is it fair for sub-hourly settlement to only apply to a subset of market participants?	
18.	Does payment to suppliers on the margin (PSM) sufficiently incent generator response without sub-hourly settlement? If we move to sub-hourly settlement, is PSM still required to address the mismatch between settlement and dispatch interval?	
19.	Are there any other benefits that have not been identified? Please elaborate.	
20.	Is the approach used for this engagement effective? If no, please provide specific feedback on how the AESO can make these sessions more constructive.	N/A

	Questions	Stakeholder Comments
21.	<p>The AESO seeks to be transparent through this stakeholder engagement process and would like to publish all information as received.</p> <p>Is the information provided in this feedback suitable to be published by the AESO on aeso.ca? If no, please indicate the sections of your response that should be redacted?</p>	Yes
22.	Please provide any other comments you have related to the sub-hourly settlement engagement.	Powerex looks forward to participating in future stakeholder sessions.

Thank you for your input. Please email your comments to: stakeholder.relations@aeso.ca.