

Stakeholder Comment Matrix – Dec. 19, 2019
Request for feedback on 2020 plan for market-related initiatives



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| Period of Comment: Dec. 19, 2019 through Jan. 17, 2020 | Contact: [REDACTED] |
| Comments From: TransAlta Corporation | Phone: [REDACTED] |
| Date: 2020/01/17 | Email: [REDACTED] |

The AESO is seeking comments from stakeholders on its 2020 Plan for Market-Related Initiatives.

| Questions | Stakeholder Comments |
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| 1. | <p>Is the publication of the <i>2020 Plan for Market-Related Initiatives</i> useful to you? Would any additional information be helpful? Please be specific.</p> | <p><i>The Plan's schedule assists with internal resource planning but more consultation should be done to justify and reduce the number of initiatives that are included in the 2020 Plan.</i></p> <p>Yes, the publication of the <i>2020 Plan for Market-Related Initiatives</i> is useful to TransAlta. More specifically, the schedule and listing of initiatives is the most helpful information provided. We use this information to assist in planning internal regulatory work for the year.</p> <p>While the plan provides some helpful information, we are unclear about the process that the AESO uses to identify, scope, and prioritize the market-related initiatives it chooses to include its plan.</p> <p>We are concerned that the 2020 plan was developed with limited consultation. TransAlta recommends that the AESO include in its description of each market-related initiative justification for why that it is being included in the plan (i.e. the issue that is being addressed), identify interdependencies between initiatives, and the priority for each initiative. This information would allow market participants to understand the overall approach (how the initiatives will be managed in terms of sequencing) as well as informing market participants how the initiatives will be coordinated with one another, and why these initiatives are the priorities of the AESO</p> <p>With respect to the 2020 Plan, we note that the only consultation done in 2019 that we are aware of was one consultation session on the Energy Storage and Flexibility roadmaps. Even in that forum, the AESO limited the stakeholder input to only the Energy Storage Roadmap. This is not a sufficient amount of consultation.</p> <p>We disagree with the AESO expanding the list of initiatives to include a mothball rule review and priced interties. Our specific reasons for removing these initiatives from the plan are:</p> <ul style="list-style-type: none"> • <i>Another review of and consultation on the mothball rule is unnecessary and unwarranted.</i> As noted by the AESO in the 2020 Plan, the mothball rule was first put in place in 2016 and it was consulted on, reviewed, and amended with the input of the MSA in 2018. We see no reason or justification for conducting another consultation and review so quickly following the rule's last amendment. Indeed, it is precisely this type of consultation and re-consultation that contributes to stakeholder fatigue. • <i>The rule and system changes to allow priced interties was part of the capacity market design and should not be pursued under the energy-only market design.</i> The capacity market design substantially addressed the unlevel |
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| | | <p>playing field between importers and Alberta resources. It is only because these issues were substantially resolved with the capacity market design that it made sense to allow for priced interties. None of the level playing field issues between importers and Alberta resources are addressed under the energy-only market design. Allowing imports to set price undermines the fidelity of the energy market price and distorts the signal for new investment in Alberta. Until such time that these issues can be address, no changes should be made to enable priced interties.</p> <p>We also strongly recommend that the AESO implement a practice of consulting with stakeholder on a multi-year plan of market-related initiatives to ensure that all initiatives that are planned in a year fit an overall strategy that ensures proper prioritization and coordination of initiatives. This will minimize a recurrence of repeated initiatives, more efficiently use time and resources, and drive progress on important issues.</p> |
| 2. | <p>Are there any additional market-related initiatives that in your view require the AESO's and stakeholders' attention in 2020 that are not listed in the <i>2020 Plan for Market-Related Initiatives</i>?</p> | <p><i>The number of market-related and tariff regulatory issues in 2020 is too high.</i></p> <p>No, there are no additional market-related initiatives that we would suggest adding to the 2020 Plan. We note that the 2020 Plan schedules the regulatory filing to occur in the second half of 2020, which is at the same time as the ISO tariff submissions are expected to be submitted. Given this schedule, there is little room to add more initiatives to the 2020 Plan.</p> <p><i>The mothball review and priced interties should be removed from the plan.</i></p> <p>We recommend that the AESO reconsider the plan and remove the unnecessary mothball rule review and price interties to provide a more reasonable and achievable 2020 plan.</p> |

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| 3. | <p>Do you have suggested changes to the timing of initiatives in the <i>2020 Plan for Market-Related Initiatives</i> schedule? If yes, please be specific to why you would like to see the timing changed and what the suggested timing should look like.</p> | <p>Initiatives related to market efficiency are typically highly inter-related and to the extent that they are interdependent on one another, they should be developed as a package rather than as discrete and separate initiatives.</p> <p><i>The regulatory burden of filing rule changes separately with concurrent or overlapping regulatory processes needs to be managed.</i></p> <p>We recommend that the timing of the market efficiency related initiatives be adjusted so that the number of regulatory proceedings is reduced and the timing of regulatory submissions and proceedings managed such that only those issues that have very limited or no interdependencies are filed and heard in their own separate regulatory proceeding. As currently proposed, there could be four separate regulatory filings with concurrent regulatory processes and overlapping issues. This is an excessive regulatory burden on market participants and AUC.</p> |
| 4. | <p>Do you have any other suggestions or comments you would like to share with the AESO related to the <i>2020 Plan for Market-Related Initiatives</i> publication?</p> | <p><i>The AESO should develop a multi-year plan approach.</i></p> <p>As mentioned above, TransAlta recommends that the AESO implement a practice whereby it consults on and gets input from market participants on the plan before it is finalized. The AESO should be required to justify the initiatives that it has included in the plan and also provide details on how the initiatives will be coordinated and prioritized in the year as well as how each initiative fits into a three to five-year plan.</p> <p><i>More detail about the Energy Storage Roadmap would be helpful.</i></p> <p>We wish to further understand if the timing of the Energy Storage Roadmap is still on track and what that might mean to timing of the 2020 Plan for Short-Term and Long-Term Storage market-related initiatives. For example, it is unclear when the AESO will consult on acceptable operational reasons for battery storage projects. Sharing information about timing for the subprojects under the Energy Storage Roadmap is important and helpful to market participants.</p> |

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