

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2



Period of Comment: Sept. 24, 2020

through Oct. 8, 2020

Comments From: TC Energy

Date: 2020/10/08

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Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
- 3. Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	<p>Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?</p>	<p>TC Energy appreciates the opportunity to participate in the Bulk and Regional tariff consultation session. While the session was valuable, TC Energy has noted three areas where the AESO could make these sessions more helpful.</p> <p>First, the proposed bookends would have a major rate impact to both “Heavy 12 CP Responders” and “Medium 12-CP Responders”, imposing rate increases of 100 – 130% and 20 – 35%, respectively. Considering the magnitude of the impact, TC Energy requests that the AESO provide a bill estimator so that affected ratepayers can better understand the impact that these proposed AESO bookend options would cause.</p> <p>Second, during the consultation session the AESO made many assertions as to whether or not the current state and the proposed bookends met the rate design objectives and their relative distances from the “sweet spot”. However, these assertions did not appear to be backed by any analysis. It would be helpful for stakeholders to see the analysis that the AESO conducted to reach their conclusions.</p> <p>Third, the rate design considerations for the Bulk and Regional rate design is separate and distinct from those for the Energy Storage rate design. Further, TC Energy expects that the Energy Storage rate design will be complex in nature. Accordingly, TC Energy recommends that the AESO conduct a separate consultation for Energy Storage to ensure that it receives the consideration it deserves.</p>
2.	<p>Are you supportive of the proposed engagement approach for the AESO’s Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.</p>	<p>TC Energy asks that the AESO conduct customer-specific sessions for clarification and understanding of the bookend options and the impacts these may have on TC Energy bills.</p> <p>As well, the treatment of Energy Storage should be carved out of these Bulk and Regional sessions and treated as a stand-alone issue.</p>

3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	TC Energy does not support the AESO's perspective that 12-CP is not a reasonable outcome of the tariff design. TC Energy requests that the AESO provide analysis so that stakeholders can understand the rationale driving the need to move away from the 12-CP methodology. It should be noted that, according to the AESO's assessment (see slide 41 from the slide deck), the current approach of 12-CP achieves a closer match to the sweet spot than Bookend Option A. The AESO should avoid introducing additional regulatory uncertainty for consumers without analysis demonstrating the need to move away from 12-CP and the impacts of doing so.
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	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	<p>No. Bookends A and B are not reasonable starting points for the Bulk and Regional Tariff Design. As stated above, the AESO's own assessment demonstrates that the 12-CP method is closer to the sweet spot than Bookend A. Accordingly, 12-CP should remain a valid option until an understanding via analysis has been provided to determine reasonable starting points for an alternate signal.</p> <p>TC Energy recommends that the AESO demonstrate how it arrived at these bookends and which other bookend options were discarded and why. TC Energy would also ask the AESO for the analysis it performed to define the size and location of the "sweet spot". Furthermore, TC Energy requests that the AESO provide the analysis performed to demonstrate that the current 12CP methodology does not provide an efficient signal for cost recovery.</p>
5.	<p>Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible.</p> <p>Do you have additional clarifying questions that need to be answered to support your understanding?</p>	<p>TC Energy agrees that Energy Storage offers unique attributes that are not the same as pure loads or pure generators. As such, TC Energy looks forward to further discussions regarding the uniqueness of energy storage and seeks more clarity regarding the tariff treatment options available within the framework of cost causation.</p> <p>The rate design options considered during the consultation session considered three different rate designs. TC Energy submits that these options need not be mutually exclusive. Rather, they could be contained within the same rate and applied under certain conditions. For example, one option could be for the rate to apply FERC Order 841 Treatment when providing "market services" and apply Interruptible Service when not providing "market services".</p>
6.	Additional comments	No additional comments at this time.

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