

Stakeholder Comment Matrix – October 15th, 2020

DER Market Participation Options



Period of Comment: October 15 th , 2020 through October 30 th , 2020 Comments From: TransAlta Corporation Date: 2020/10/30	Contact: Phone: Email:
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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. Email your completed comment matrix to stakeholderrelations@aeso.ca by **October 30th, 2020**.

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

	Questions	Stakeholder Comments
1.	In your view, are there barriers or issues with DER participation in the energy and/or OR market that should be addressed now? What are those barriers or issues and how should they be best addressed?	<p><i>The existence of distribution-connected generation credits needs to be rationalized in the framework for generation development or otherwise eliminated.</i></p> <p>We view a key incentive for DER is the availability of distribution-connected generation credits. Regulatory uncertainty about the continuation of distribution-connected generation credits is a challenge to DER development. We continue to view the existence of this program as poor justified by energy policy (originally these were an incentive related to flare gas usage) and should be rationalized in the comprehensive framework for generation development on the distribution and transmission systems.</p>
2.	Is it important for market participation for DER/small DCG to be addressed with market design changes now, or can this be deferred into the future? Can you identify priority items that should be addressed first?	<p><i>The policy issue(s) with Distribution-connected generation credits should be resolved first; there are few significant barriers to DCG.</i></p> <p>TransAlta has owned distribution connected generation for a decades. We do not see any special need to address market design issues with respect to DCG participation. The emergence of microgeneration is newer but we also believe that these resources are not likely to be active market participants and there is little benefit to considering market design changes for these resources (due to cost-benefit considerations).</p>

3.	<p>If voluntary energy market participation were to be permitted for small DER (<5MWS), would you anticipate parties to use the opportunity to directly participate in the energy market? i.e. submit bids and offers, accept and respond to dispatches, comply with all applicable ISO rules? Why or why not? Please explain.</p>	<p><i>The burden and cost of submissions, dispatches and compliance would likely outweigh any benefit.</i></p> <p>There may be niche opportunities for aggregators to participate but we are not convinced that this will be significant. We note that for a small provider it is easier and provides all of the revenue-earning benefit to generate in the energy market without prescheduling, making offer submissions, or responding to dispatches – and without any of the incremental cost associated with these planning activities.</p>
4.	<p>a) Do you support lowering the minimum market participation thresholds in the energy and/or operating reserves markets? Please provide rationale as to why or why not. If yes, to what level?</p> <p>b) Do you support lowering the minimum market participation thresholds now, or at a future date? Please explain.</p>	<p><i>The requirements for the providers and the products should be applied the same regardless of any change to the threshold.</i></p> <p>TransAlta supports competition in the energy and/or operating reserves markets and expects that small and large resources will have the same/similar obligations and compliance requirements. We do not support any leniency in the standard that is applied to small provider versus a larger provider as the capacity or electricity sold is expected to be equally reliable and substitutable between suppliers.</p> <p>We neither support or reject lowering the minimum market participation threshold now or in the future. However, we ask that any incremental costs that is incurred in the near future be fully justified against its expected benefit as we are concerned about costs to consumers during the pandemic and as we progress through the ensuing economic recovery.</p>
5.	<p>If market participation thresholds are lowered for energy and/or operating reserve market participation, is there a need to review aggregation rules surrounding market participation (outside of aggregation for the purpose of meeting the market participation threshold)? Please explain.</p>	<p><i>Aggregation could be a lower cost way to accommodate small resource participation.</i></p> <p>We question whether the market participation thresholds should be lowered as aggregation may be a better way to enable smaller resource participation. As mentioned above, we are concerned about the potential cost. We view aggregation as a way to allow small resource participation at a lower cost than might be incurred if systems have to be adapted to accommodate lower thresholds – the aggregator takes on the obligation to create system to manage these assets. At a minimum, we believe the analysis should compare the cost of aggregation and cost of a lower minimum threshold.</p>
6.	<p>When considering aggregation, has the AESO missed any essential components?</p>	<p>No comments at this time.</p>

7.	Do you have any concerns or suggestions on the DER market participation process and timeline?	No concerns or suggestions at this time.
8.	Do you have any other suggestions or comments you would like to share on DER market participation or the engagement activities?	No comments at this time.

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