

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2



Period of Comment: Sept. 24, 2020 through Oct. 8, 2020	Contact: Richard Stout
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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.	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>The session was very useful as a recap of the Bulk and Regional cost causation, cost allocation and related Tariff issues and to provide a clear outline of the AESO's more recent tariff thoughts and an effective process to developing and filing a broadly acceptable tariff in early 2021.</p> <p>There is little that could be done to improve the process. The facilitation of online participant feedback was particularly effective allowing clarifying questions and constructive comments without divergence into positioning arguments.</p>
2.	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.	Yes. In particular the movement away from inappropriate 12CP "needle peak" allocations and towards fixed demands with a commitment to billing mitigation that will avoid undue increases for existing industrial customers. The mitigation commitment allows a better focus on arriving at an ongoing tariff based on useful price signals for future developments with fair allocations of sunk costs.
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.	Yes. The 12CP approach was based on vertically integrated EEMA cost-sharing allocations (mostly generation costs) of almost 40 years ago and was never intended to provide a transmission price signal. The 12CP accidental "signal" has led to outcomes that are neither efficient nor fair. A replacement is required to address these concerns and to better meet the public interest.

	Questions	Stakeholder Comments
4.	<p>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>	<p>The bookends are reasonable starting points for the design discussion, bearing in mind that the current bookend of a CP based approach must be replaced as per our preceding comment.</p> <p>The UCA considers that an acceptable rate that better reflects cost causation and addresses the "broken" price signal problem (once rate impact mitigation concerns are addressed) will tend towards the fixed demand or NCP bookend.</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>No. Energy storage tariff treatment was comprehensively considered by the AESO. Energy storage does not look significantly different to the transmission system than any BTF generation and load combination capable of import and export at different times. The social benefits or value of energy storage are fully captured in the energy market pricing and arbitrage opportunities as discussed.</p>
6.	<p>Additional comments</p>	<p>An excellent restart to the Bulk and Regional Tariff development.</p> <p>Following the discussions on the non-voltage delineation of Bulk versus Regional definitions for tariff design purposes (as distinct from FERC MRS purposes) we would like to see an approach considered that dispenses with the tariff based distinction and uses the same cost allocator for bulk as regional transmission.</p>

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