

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2



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| Period of Comment: Sept. 24, 2020 through Oct. 8, 2020 | Contact: Tory Whiteside |
| Comments From: URICA Asset Optimization | Phone: 403-689-7243 |
| Date: [2020/10/06] | Email: |

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 |
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| 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? | The session was valuable in that it laid out the AESO's new direction for Bulk and Regional Tariff Design and reiterated the intended timelines for the delivery of the new rate. For the most part the session involved participants reverting back to slides 39 and 41 for continued discussion; therefore, it would have been very beneficial if the AESO could have provided rate design analysis, data, and tools to allow participants to digest how the bookend rates would affect them and allow for more informative discussion during the session. |
| 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. | While URICA understands that the AESO is attempting to move to a predetermined sweet spot for the new tariff design, it appears that the both the timing of the engagement and development of the rate seem rushed especially in light of the negative effects the AESO's initial proposal will have on the industrial customer class in a time when the province is struggling to support and maintain industry in the province. URICA would be supportive of a more iterative process to determine the changes needed and potentially a transitional implementation to move the rate towards a final structure where price response is a universal tariff feature not just for a very small subset of sites in the province. |
| 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. | URICA does not believe that the AESO has presented thorough analysis or data that show that the value of the status quo 12-CP system is not achieved via the existing rate design. Further to this URICA believes that if this is AESO's perspective, the potential alternatives have not been fleshed out in truly collaborative manner or with the ability for stakeholders to participate – it feels like alternative stakeholder proposals could have been submitted/crafted over the six month hiatus in this engagement or at some other point during the engagement that has been ongoing for two years. At the same time, the proposal the AESO presented in Session 2 is different from the initial advocated rate structure from Session 1 and the background and recent developments in the presentation are not really recent developments – they were always in consideration. URICA would like to better understand what caused the AESO to pivot from the designs initially presented in Session 1 and what other structures were considered when the bookends were created. |

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| 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>URICA does not believe that the existing options A and B necessarily represent reasonable bookend starting points – the Venn diagram of the sweet spot cannot rationally achieve minimal disruption or simplicity based on the bookends suggested. URICA is not clear as to how the boundary assessment of the bookends can be rationalized to move to an all “green” sweet spot.</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>The reason that this engagement has lagged in the first place is that the AESO attempted to put Capacity Market Allocation and the Bulk and Regional Tariff Design into the same engagement. To this end, URICA believes that the issue of energy tariff treatment is being shoe horned into the Bulk and Regional Tariff engagement – in both sessions to date the energy storage issues have been put at the back end of the session and not afforded enough time for discussion at the stakeholder level. URICA would appreciate the energy storage tariff treatment being provided its own session such that it receives equal footing and discussion.</p> |
| 6. | <p>Additional comments</p> | <p>Overall, the AESO appears to have created a rate that penalizes industrial customers and ignores the systemic issues that the bulk of AESO customers cannot respond to price signals. If the expectation is that the proper rate design will result in increased behaviour to reduce consumption in a manner that helps reduce long term system costs, URICA feels that an ~120 CP system that benefits customers that cannot respond to price signals and handicaps many of those that can respond does not make a lot of sense as first step towards tariff modernization. In general, the proposed rate seems overly complex without assurances that price signal for the avoidance of regional peaks will minimize future transmission costs.</p> |

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