

# Industry Associations and Agencies Roundtable Meeting Summary



**Date:** Tuesday, May 26, 2020

**Time:** 1:00 to 3:00 p.m.

**Location:** Virtual

**Attendees:**

Company	Member
Alberta Electric System Operator (AESO)	Mike Law
Alberta Utilities Commission (AUC)	Mark Kolesar
Alberta Federation of Rural Electrification Associations (AFREA)	Al Nagel
Alberta Direct Connect Consumers Association (ADC)	Colette Chekerda
Balancing Pool	Ben Chappell
Canadian Wind Energy Association (CanWEA)	Robert Hornung
Energy Efficiency Alberta	Monica Curtis
Industrial Power Producers Society of Alberta (IPPSA)	Evan Bahry
Industrial Power Consumers Association of Alberta (IPCAA)	Vittoria Bellissimo
Market Surveillance Administrator (MSA)	Derek Olmstead
Utilities Consumer Advocate (UCA)	Chris Hunt

## Summary

The following summary provides key themes and discussion highlights from the Industry Associations and Agencies Roundtable. All pre-read material and the meeting agenda are available on the AESO's website.

### Discussion highlights

Roundtable members are eager to see a greater focus on cost management across the industry, with visibility to what actions and initiatives the AESO is taking to help manage costs and make Alberta as competitive as possible.

Consumer associations see wires (transmission and distribution) costs as a significant concern, with a real risk of distribution costs continuing to increase. There is a strong desire to see action in this space and for the AESO to take a more active role in addressing the challenge. The AESO clarified that we are leading work on the transmission and distribution interface and the impact of Distributed Energy Resources, but that our mandate and skill set is not that of distribution planning and operations and that we would not be stepping into that area unless directed.

### ***AESO 2019-2023 Strategic Plan***

The AESO provided an overview of our current strategic plan and recent review with the AESO Board focused on shifts in priorities due to COVID-19 and low oil price impacts. The AESO refocused on three main priorities: cost management across the industry value chain; facilitating business in the province; and creating a simpler and more agile approach to our own business processes.

Members agreed in principle with the AESO's high-level focus areas and emphasis on cost management. There was considerable discussion on the need to look at transmission policy, interface with the distribution system, wires costs in general, transmission planning and how we can optimize the current system as decreased load caused by COVID-19 and how the low oil price continues to impact the province. Another point raised was the importance of ensuring stability in the energy only market to entice future investment.

### ***Delivered Cost of Electricity Report***

The AESO's *Delivered Cost of Electricity Report* reviews the historic and current delivered cost of electricity in Alberta, including variable and fixed costs. It provides a comprehensive analysis of the cost of electricity delivered to a range of Alberta customers, the components that make up those costs and the cost of alternatives currently available. The report was discussed at the Roundtable and is published on our website.

Feedback on the report itself was positive in the analysis and visibility it provides on the cost of delivered electricity to various consumer types and the questions it raises for further industry discussion such as: Alberta's competitiveness and ability to facilitate business; sustainability of these delivered costs given the current environment and what, if anything, needs to be changed. There was alignment that costs need to be kept down, especially given the significant cost pressures all consumers are facing right now. Members generally agreed this is a longer-term discussion to gain alignment on the desired end state, key challenges for industry to collaborate on and prioritization of addressing those challenges. Further discussion was had about the interface between the transmission and distribution systems specifically and what can be done to optimize both for cost management. The need to ensure alignment between the AESO, Government of Alberta and the AUC in addressing these issues was widely expressed.

Members agreed the Roundtable needs to continue to focus on the competitiveness of Alberta's economy overall and that there should be a continued focus on transmission and distribution cost drivers and how to best address them in the near- and long-term.

### ***Next Steps***

The AESO will assess feedback from the Roundtables and determine the most valuable topic and timing for the next meeting. The AESO also plans to provide greater visibility into our cost management initiatives as raised in the meeting.