

Stakeholder Comment Matrix – April 9, 2020

Overview of Short-term Market Implementation Requirements for Energy Storage Participation



Period of Comment: April 9, 2020 through April 27, 2020 Comments From: Capital Power Corporation Date: 2020/04/27	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 energystorage@aeso.ca by April 27, 2020.

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

	Questions	Stakeholder Comments
1.	Are there areas where further clarity on expected participation would be helpful?	<p>Capital Power appreciates the opportunity to provide comments on the AESO's Overview of Short-term Market Implementation Requirements for Energy Storage Participation. Capital Power provides the following comments for consideration.</p> <p>Scope of Implementation & Competitive Ownership of Storage Assets</p> <p>Capital Power submits that the AESO's scope for short-term implementation should include clear guidance on the ownership and participation of storage resources that are used as transmission alternatives. Specifically, the AESO, with the necessary input from the Department of Energy, should confirm that regulated entities cannot own or operate storage assets.</p> <p>Where storage assets are considered as a non-wires alternative or for use in other regulated operations, there should be clear articulation of the competitive procurement process to be followed that maintains a level playing field between all types of generation. Finally, there should be explicit guidance provided on the operation of these storage assets and their ability to participate in energy and ancillary services markets to maintain fair, efficient, and open competition. As regulated entities in Alberta have already indicated their intention of pursuing these configuration, the</p>

	<p>AESO should include this in the scope for short term implementation.</p> <p>Hybrid Facilities - Offers, Restatements and Dispatch Compliance</p> <p>Capital Power supports the AESO’s consideration of requirements for hybrid facilities. The treatment of a storage facility in market rules should allow participants the ability to configure the site in a manner that best suits the circumstances of the facility.</p> <p>There are, however, a number of key issues relating to offers, restatements and dispatch compliance that should be clarified to ensure they support fair, efficient and openly competitive markets.</p> <p><i>Qualifying as a non-firm asset</i></p> <p>The AESO notes that the market participant may elect to operate the asset as a “firm” or “non-firm” asset for the purpose of dispatch and compliance. Capital Power has several concerns with the approach being proposed and submits that additional clarification is needed.</p> <p>Allowing this flexibility may cause issues for AIES operations and grid reliability as the uncertainty of generation increases with the proliferation of non-firm storage assets. This arises from the increase in forecast uncertainty in the T-2 period. While this may not be a concern for short term implementation, the AESO should provide greater clarity on what assets can qualify to operate as a non-firm asset.</p> <p>As market participants elect to operate as non-firm assets, there is also a risk of bifurcating the treatment for dispatchable resources. An increasing number of non-firm storage assets will create a separate class of dispatchable resources that are held to a different standard than other generators. This would create concerns around a level playing field between market participants.</p> <p>While it is understood that the majority of hybrid assets are renewable assets with a small secondary storage asset, alternative configurations could be developed that would allow a unit to inappropriately avoid the more stringent dispatch requirements prescribed to “firm” assets. This would provide these assets with an unfair advantage over other firm generation that are subject to more stringent requirements.</p> <p>For the reasons provided, Capital Power submits that the AESO should clarify the requirements for assets to qualify to participate as “non-firm” assets in dispatch to ensure it supports a level playing field between market participants.</p> <p><i>Restatements and Acceptable Operational Reasons</i></p> <p>The AESO proposes that when an energy storage asset cannot physically comply with a dispatch instruction, the existing “acceptable operational reason” definition applies.</p>
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		<p>This includes instances where the asset is energy-limited due to the state of charge. To confirm the legitimacy of the restatement and associated AOR, the AESO proposes that they will require additional visibility of the asset.</p> <p>Capital Power submits that this information should be provided to all market participants in some form. Without this visibility, there will be an information asymmetry that advantages storage asset owners, and could lead to conduct that does not support fair, efficient and openly competitive markets. Some form of system reporting of state of charge should be considered to address this issue.</p> <p>Ramping and Frequency Management</p> <p>Given the nature of storage systems, the AESO should consider what, if any, changes are required to manage the ramp of these assets, including mitigation for any impacts to system frequency changes. This consideration should include any changes necessary to manage the AESO's process for pre-dispatching and positioning assets ahead of the hour for OR availability.</p>
2.	<p>Are there areas of market participation that in your view need special consideration for energy storage that are not identified in the overview document?</p>	<p>Scope of Implementation & Competitive Ownership of Storage Assets</p> <p>Capital Power submits that consideration of energy storage for use as a transmission alternative should be included in the short term implementation. See the comment above for additional detail.</p> <p>Grandfathering</p> <p>The AESO should clarify in the Information Document whether projects that are connected under the proposed approach will be required to comply with new requirements as they are changed in AESO authoritative documents. Capital Power submits that projects should not be grandfathered and should be subject to the new requirements as changes are made to authoritative documents.</p> <p>Tariff Treatment and Self-supply</p> <p>In light of the Commission interpretation of legislation governing self-supply and export, a review of the tariff treatment for energy storage should ensure principles are consistent between applications.</p>
3.	<p>Additional comments</p>	<p>Capital Power has no additional comments at this time.</p>

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