

Stakeholder Comment Matrix – May 14, 2020
Request for feedback on sub-hourly settlement, session 1 material



Period of Comment: Apr. 23, 2020 through May 14, 2020	Contact: [REDACTED]
Comments From: Alberta Newsprint Company	Phone: [REDACTED]
Date: 2020/05/14	Email: [REDACTED]

The AESO is seeking comments from stakeholders on its approach to reviewing sub-hourly settlement, and content from session 1.

- 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 matrix to stakeholder.relations@aeso.ca by May 14, 2020*
- 4. Stakeholder comments will be published to aeso.ca, in their original state, with personal or commercially sensitive information redacted, following May 14, 2020.*

	Questions	Stakeholder Comments
1.	<p>In an effort to narrow the scenarios for implementation cost estimates, the AESO provided analysis that indicated, based on past observations, that a 15 minute interval would be the easiest to implement and that there were limited economic gains to be made from reducing the settlement interval to 5 minutes.</p> <ul style="list-style-type: none"> - Do you have comments related to the analysis presented? - Would you suggest additional analysis be completed to better understand the benefits of a shorter settlement interval? 	<p>Agreed with AESO.</p>
2.	<p>In an effort to narrow the scenarios for implementation cost estimates, the AESO provided assessments that sub-hourly settlement for all generation and load sites with interval meters could be mandatory and cumulative meter sites could be billed using: a) new shaping to account for 15 minute settlement or b) remain on an hourly billing approach with a true up payment.</p> <ul style="list-style-type: none"> - Do you have comments related to the participation approach suggestion made by the AESO? - Do you have comments related to the true-up analysis presented by the AESO? - Would you suggest additional analysis be completed to better understand participation options? 	<p>Agreed with the AESO approach for interval metered sites.</p> <p>There would be little, if any benefit to requiring sub-hourly settlement of cumulative meters, since they are unable to respond to price signals. Option b) appears to be the least cost prohibitive for cumulative meters.</p>

	Questions	Stakeholder Comments
3.	<p>At the session the AESO presented information, based on historical observations that suggested a move to sub-hourly settlement would provide limited economic benefits to load and generation in Alberta.</p> <ul style="list-style-type: none"> - Do you have comments related to the analysis? - Do you have comments related to the qualitative benefits that would be provided to the market from a move to sub-hourly settlement? - Do you have suggestions on how the AESO could estimate the future benefits of sub-hourly settlement that could be included in the economic evaluation? For example, approaches to estimate load / generation operation changes? - Do you believe the sub-hourly settlement initiative should continue to be pursued by the AESO and industry? 	<p>The economic benefits of sub-hourly-settlement (SHS) are strongly related to intra-hour pool price volatility. In their assessment, AESO has used 2015 to 2019, the years with one of the lowest volatilities since power deregulation and hence the benefits are grossly underestimated. AESO should rerun their estimation for the years 2011 to 2014 when both price and volatility were higher. This will cover both the periods of low and high volatility.</p> <p>Agreed with the qualitative benefits outlined by AESO.</p> <p>As indicated by AESO that their benefit assessment to price responsive loads does not include gains by the change in behavior with SHS. AESO should reach out to those loads for possible estimation and inclusion. Also AESO assessment does not include the benefits of productivity increase (or minimizing the loss of manufacturing goods due to high power costs based on hourly settlement). We have done such assessment and gains in productivity is as much, if not more, as benefits in minimizing power cost.</p> <p>Yes, AESO should continue the initiative to pursue the SHS. It is more than likely that current economic uncertainty due to COVID-19 and low oil price will be over by the time SHS will be ready to implement.</p>
4.	<p>At the session the AESO presented information that suggested energy market bids / offers could continue to be made on an hourly basis. Do you have comments related to this element of the analysis?</p>	<p>Hourly bids/offers reduces the administrative burden on market participants and should be an option. There are also potential benefits for planning in having the ability to present more detailed (15 minute) bids/offers during periods when that level of detail is known. In other words, the minimum requirement is hourly bids/offers, with an option to provide sub-hourly detail for periods of time.</p>
5.	<p>At the session the AESO presented information that suggested energy dispatch could continue to be made on an as-needed basis regardless of the settlement interval. Do you have comments related to this element of the analysis?</p>	<p>At the session the AESO discussed the need for payments for suppliers on the margin and whether that would still be necessary under sub-hourly settlement. At this point, ANC does not have an adequate understanding of the impact of PSM on bidding load or on offering generation and would be appreciative of further discussion and analysis before drawing conclusions about its necessity.</p>

	Questions	Stakeholder Comments
6.	<p>Cost question – given the narrowing of implementation options noted in questions 1 and 2, if your cost estimates will have changed from what you provided subsequent to session one, would you please provide an update here.</p> <p>LSAs and MDMs please do not answer; the AESO will be contacting you for participation in an additional session.</p>	<p>Cost implication in switching from hourly to 15 min settlement will be minimum for load sites with interval meters.</p>
7.	<p>At the session, the AESO explored potential impacts to other areas. Are there other potential impacts that should be considered and why?</p>	<p><i>As mentioned in our comments under #3 above, minimization of production losses is another potential area of impact that could be explored and ANC is prepared to assist with.</i></p>
8.	<p>Please provide any other comments you have related to the sub-hourly settlement engagement.</p>	<p><i>ANC will be happy to share with AESO our estimation of benefits for our site, a price responsive load.</i></p>

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