

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



<b>Period of Comment:</b> Apr. 23, 2020 through May 14, 2020	<b>Contact:</b> [REDACTED]
<b>Comments From:</b> CCA	<b>Phone:</b> [REDACTED]
<b>Date:</b> [2020/05/14]	<b>Email:</b> [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](mailto:stakeholder.relations@aeso.ca) by May 14, 2020*
- 4. Stakeholder comments will be published to [aeso.ca](http://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"> <li>- Do you have comments related to the analysis presented?</li> <li>- Would you suggest additional analysis be completed to better understand the benefits of a shorter settlement interval?</li> </ul>	<p>No objections to moving to 15 minute intervals as a first step. Ideally the AESO should move to 5 min intervals, in the interest of price fidelity and competitive markets as this appears to be the industry practice.</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"> <li>- Do you have comments related to the participation approach suggestion made by the AESO?</li> <li>- Do you have comments related to the true-up analysis presented by the AESO?</li> <li>- Would you suggest additional analysis be completed to better understand participation options?</li> </ul>	<p>Unless sub hourly settlement is made mandatory for all suppliers, it is not clear how the incentives and disincentives for flexible dispatch and price fidelity arising from sub hourly settlements could be realized for the system as a whole.</p> <p>Need more explanation please.</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"> <li>- Do you have comments related to the analysis?</li> <li>- Do you have comments related to the qualitative benefits that would be provided to the market from a move to sub-hourly settlement?</li> <li>- 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?</li> <li>- Do you believe the sub-hourly settlement initiative should continue to be pursued by the AESO and industry?</li> </ul>	<p>The qualitative benefits of sub hourly settlement include enhanced market efficiency through improved price fidelity. In other words, the price paid for energy would closely match supply and demand at a much more granular level.</p> <p>Another benefit is that flexible resources (such as storage) would be able to compete more effectively with sub hourly settlement in place.</p> <p>It is not clear how historical analysis could capture these benefits.</p> <p>CCA fully supports going ahead with implementation of the sub hourly settlement initiative.</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>	
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>To the extent sub hourly settlement provides price signals at 15 min intervals, if suppliers are not able to respond flexibly to such price signals, one wonders if the resulting inflexibility on the part of supply to meet demand as it changes, would mean additional payments for Ancillary Services (ramp down/up) in order to absorb the excess /shortfall in each interval. Please explain.</p>
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>	

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7.	At the session, the AESO explored potential impacts to other areas. Are there other potential impacts that should be considered and why?	In as much as price fidelity is an important consideration in the energy market, it is even more important in the AS market to enable flexible generation to compete effectively. While it is true that AS contracts at present are day ahead contracts indexed to the energy market, in order to enable competitive participation of flexible resources, it is suggested that sub hourly settlement should be expanded to include the AS market.
8.	Please provide any other comments you have related to the sub-hourly settlement engagement.	

Thank you for your input. Please email your comments to: [stakeholder.relations@aeso.ca](mailto:stakeholder.relations@aeso.ca).