

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: EPCOR	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>EPCOR understands that the analysis presented during Stakeholder Engagement Session #2 used historical data based on hourly settlement. The analysis presented could potentially be improved by adding simulations involving changes in market behavior as a result of 15-minute settlement. This may help all market participants fully understand the impacts of sub-hourly settlement and determine what impact sub-hourly settlement may have on pool price. The end result would be a better understanding on the potential impacts of costs for the customer.</p> <p>EPCOR is also in favor of creating a full business case that takes into account all costs and anticipated benefits for all market participants.</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>EPCOR supports an all-inclusive approach where settlement is aligned with billing and a true up payment is not required.</p> <p>EPCOR suggests the following additional analysis to be completed to better understand participation options; determine the potential impact on RRO providers and determine if changes in market behavior alters the outcome of the true up analysis presented during engagement session #2.</p>

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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>EPCOR supports the analysis presented to date and agrees sub-hourly settlement could provide some benefits to some generators. Sub-hourly settlement could also benefit large customers who have the ability to monitor their load real time and make adjustments in consideration of pool price changes.</p> <p>EPCOR's experience has been that few customers (3) have requested to access their interval data. This suggests that the vast majority of customers are not interested in receiving data at the hourly or sub-hourly level and may not be interested or capable of responding to hourly or sub-hourly price signals.</p> <p>EPCOR's review of the analysis of sub-hourly settlement to date indicates this change would result in additional costs for load customers with little, if any benefit. We will continue to participate in the stakeholder engagement sessions to better understand all of the anticipated benefits.</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>From a DFO perspective, EDTI has no comment.</p> <p>As an ESP, EEA is concerned sub-hourly settlement could impact the way the way the pool price is set and the way energy is procured. Further discussion is required to understand impacts in this area.</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>EPCOR does not have a comment on this issue as a DFO or ESP.</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>	<p>No answer, as requested.</p>

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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>Pursuant to the Commission’s mandate under Section 24.1(1) of the EUA, any changes to the settlement interval will lead to the amendment of the AUC Rule 021.</p> <p>Potential impacts will be reviewed at the AESO/EPCOR meeting on May 20.</p> <p>A preliminary list of potential impacts has been developed. A comprehensive list of the changes will be developed and consulted when a final direction is determined.</p> <p>EPCOR proposes a thorough review of all downstream impacts, including an end-to-end settlement process discussion, is required. This process discussion should involve all market participants. EPCOR also proposes that a recovery mechanism for all incurred costs should be defined before the preferred option is pursued.</p>
8.	<p>Please provide any other comments you have related to the sub-hourly settlement engagement.</p>	<p>As an ESP, EEA is concerned that sub-hourly settlement increases the complexity and frequency of settlement data. This may increase frequency of Rule 032 penalties.</p> <p>EPCOR looks forward to continuing to participate in the stakeholder engagement process to fully understand the costs and benefits to customers.</p>

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