

Stakeholder Comment Matrix – September 23, 2020
Request for feedback on sub-hourly settlement, session 3 material



Period of Comment: September 23, 2020 through October 7, 2020	Contact: [REDACTED]
Comments From: Cogeneration Working Group (CWG)	Phone: [REDACTED]
Date: 2020-10-07	Email: [REDACTED]

The AESO is seeking comments from stakeholders on its approach to reviewing sub-hourly settlement, and content from session 3.

- 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 October 7, 2020***
- 4. Stakeholder comments will be published to aeso.ca, in their original state, with personal or commercially sensitive information redacted, following October 7, 2020.***

	Questions	Stakeholder Comments
1.	<p>The AESO has presented the costs and benefits on sub-hourly settlement. Do you believe there are other considerations that should have been considered? Do you have comments related to the material the AESO presented?</p> <p>If yes, please elaborate.</p>	
2.	<p>The AESO's decision is to not pursue sub-hourly settlement at this time. Do you have comments related to this decision?</p>	<p>The CWG agrees that the AESO doesn't need to move to sub-hourly settlement at this time. However, the AESO should consider creating requirements to replace existing metering infrastructure with smart meters whenever new meters are installed or old meters are replaced. Similarly, software upgrades should be forward compatible with shorter settlement if and when they are made in the natural course.</p> <p>This gradual transition will allow the AESO to revisit the cost benefit analysis in the future with lower costs of implementing sub-hourly settlement. Shorter settlement should be a long-term goal for the market, despite the current pause on the initiative.</p>
3.	<p>Do you think there is value in further exploring payment to load on the margin given the benefits and issues identified?</p> <p>If yes, please describe if you would be willing to participate and what topics should be explored and why.</p>	<p>The CWG is in favor of parallel treatment between load and generation through the creation of a payment to load on the margin (PLM) rule that is equivalent to the payment to suppliers on the margin (PSM) rule.</p> <p>That being said, there are issues with the current PSM rule that should be addressed and mirrored in the new PLM rule.</p> <p>Under the current PSM rule, suppliers are held whole relative to their offer, not to the system marginal price (SMP). This is currently an issue for generators and would also be an issue for loads kept whole to their bid under a new PLM rule. The PSM and new PLM rule should be adjusted to properly compensate load and generation. The two rules should be designed to fully mimic the incentives created by shorter settlement period, and as noted, the current PSM rule fails in this regard.</p> <p>The issue for load is that the uplift would not keep a load whole to what they would have paid under minute-by-minute pricing. Rather, as with the PSM rule for suppliers, it keeps them whole to their bid, i.e. it acts as a cap on the price paid for the hour but does not replicate the benefit of shorter settlement. A preferred alternative would be to use average price of period when a load is consuming power or generator was supplying power and basing payments on this amount, rather than basing the payments on the bid/offer price.</p>

	Questions	Stakeholder Comments
4.	Do you feel you have been able to adequately participate and provide comments to the AESO through this engagement? If no, please describe your concerns.	
5.	Do you believe the AESO was effective in the preparation and presentation of the material? If no, please provide suggestions for the improvement of future engagements.	
6.	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.