

## Stakeholder Comment Matrix – Feb. 12, 2020

### Request for feedback on pricing framework review, session 1 material



Period of Comment: Feb. 12, 2020 through Feb. 26, 2020

Comments From: EDF Renewables Canada Inc.

Date: 2020/02/28

Contact: [REDACTED]

Phone: [REDACTED]

Email: [REDACTED]

The AESO is seeking comments from stakeholders on its approach to reviewing the pricing framework, 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@aesocanada.com](mailto:stakeholder.relations@aesocanada.com) by Feb. 28, 2020
4. Stakeholder comments will be published to [aesocanada.com](http://aesocanada.com), in their original state, with personal or commercially sensitive information redacted, following Feb. 28, 2020. The AESO will not be responding directly to any submissions, but submission feedback will be considered for the final recommendation.

	Questions	Stakeholder Comments
1.	At the session, the AESO outlined the objectives of the pricing framework, which includes ensuring both long term adequacy and ensuring efficient short-term market response. Do you have any comments on the objectives of the pricing framework?	No comments – these objectives are reasonable.
2.	Please provide your comments on the AESO’s description of Alberta’s Energy-Only Market Pricing Framework, and the administrative price levels, in particular the purpose of the <u>offer cap</u> . Is there anything you would change or add to this description?	No comments.
3.	Please provide your comments on the AESO’s description of Alberta’s Energy-Only Market Pricing Framework, and the administrative price levels, in particular the purpose of the <u>price cap</u> . Is there anything you would change or add to this description?	No comments.

	Questions	Stakeholder Comments
4.	<p>Please provide your comments on the AESO's description of Alberta's Energy-Only Market Pricing Framework, and the administrative price levels, in particular the purpose of the <u>price floor</u>.</p> <p>Is there anything you would change or add to this description?</p>	<p>The price floor should be considered within the context of potential efficiency gains relative to increased investment risk for a range of market participants. If the current curtailment protocols will result in the roughly same curtailment patterns as negative prices, there is little efficiency to be gained from negative prices.</p> <p>Incenting storage is one potential longer-term benefit of negative prices, but tariff issues and a lack of market rules specific to storage are barriers that need to be addressed before storage is likely to be developed (and EDF Renewables understands this is ongoing via AESOs Energy Storage Roadmap).</p>
5.	<p>The AESO's forward looking resource adequacy assessment indicates that the energy only market with the existing offer cap will provide reasonable financial returns while meeting the supply adequacy requirements.</p> <p>Do you agree with the AESO's conclusions? If no, please describe your concerns.</p>	<p>The renewable penetration levels assumed within the modeling are very conservative. It would be beneficial to examine the results with more realistic assumptions, particularly in light of projects that appear to be highly probable to be operational in the next 2 to 3 years.</p>
6.	<p>The AESO's historical revenue sufficiency assessment indicates that the energy only market with the existing offer cap has historically sent efficient and timely price signals to the market. Historically assets have been added when pricing signals indicated that profitable entry could occur.</p> <p>Do you agree with the AESO's conclusions? If no, please describe your concerns.</p>	<p>The AESO's conclusions are reasonable.</p>
7.	<p>Are there foreseeable situations where asset variable costs would be greater than \$999.99/MWh? If yes, please describe the situation.</p>	
8.	<p>The AESO has described the scope for this process, general agenda items and timing for upcoming stakeholder engagements, with the timing of the sessions aligned with the AESO's deliverable to the Government of Alberta Energy Minister.</p> <p>Please describe if you believe the scope is appropriate. If not, please describe/provide your rationale.</p>	<p>As noted in the session, the results assume the current market power mitigation framework. To the extent this framework changes, the results must be revisited.</p>

	Questions	Stakeholder Comments
9.	Is the approach used for this engagement effective? If no, please provide specific feedback on how the AESO can make these sessions more constructive.	
10.	Please provide any other comments you have related to the pricing framework engagement.	

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