

Stakeholder Comment Matrix – May 21, 2020

Request for feedback on pricing framework review, session 3 material



<p>Period of Comment: May 22, 2020 through June 5, 2020</p> <p>Comments From: Heartland Generation Ltd. (HGL)</p> <p>Date: 2020-06-05</p>	<p>Contact: [REDACTED]</p> <p>Phone: [REDACTED]</p> <p>Email: [REDACTED]</p>
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The AESO is seeking comments from stakeholders on its approach to reviewing the pricing framework, and content from session 3.

	Questions	Stakeholder Comments
1.	<p>The AESO has presented pricing framework options, and the risks and benefits of each, see below:</p> <p>A. Implement improvements to the pricing framework now to incent efficient market response during <u>supply shortage and supply surplus</u> situations</p> <p>B. Implement option A, in future, but <u>delay</u> due to conflicting priorities and external issues that exist today</p> <p>C. <u>Maintain current pricing framework</u>– AESO will continue to monitor the state of the market for signs of loss of system efficiencies</p> <p>Do you believe there other alternatives that should have been considered. If yes, please elaborate.</p>	<p>No, Heartland is not aware of any alternative pricing framework options that should have been considered. Heartland reaffirms its position that, at this time, maintaining the current pricing framework (“Option C”) is the correct decision.</p> <p>Maintaining the current pricing framework will restore investor confidence that has been eroded due to the level of regulatory change in the past three years. History shows that our current market design has delivered adequate capacity at a reasonable cost through effective competition. Forward-looking analysis indicates that it will continue to do so. Historical market outcomes do not suggest that either the price cap or the price floor need to be changed.</p>
2.	<p>The AESO’s draft recommended approach is Option C above, maintain the current pricing framework. Do you have comments related to this recommendation?</p>	<p>Heartland supports the AESO’s decision to recommend Option C. As the AESO explained in its presentation, the current pricing framework provides short-term efficiency, long-term adequacy, and has been robust over time. Heartland agrees that keeping the current pricing framework maintains market stability and certainty, while avoiding the unnecessary burden, complexity, and cost of implementing alternative administrative pricing mechanisms.</p>

	Questions	Stakeholder Comments
3.	<p>Do you feel you have been able to adequately participate and provide comments to the AESO through this engagement?</p> <p>If no, please describe your concerns.</p>	<p>Yes, Heartland has been able to adequately participate and provide comments to the AESO through this engagement. Heartland commends the AESO for its smooth transition to the online-only webinar format.</p>
4.	<p>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.</p>	<p>Yes, the AESO has been effective in the preparation and presentation of the material. The pricing framework consultation material was well balanced and clearly articulated.</p>
5.	<p>Please provide any other comments you have related to the pricing framework engagement.</p>	<p>Heartland appreciates that the AESO has conducted this consultation in response to the Government of Alberta’s direction letter following its decision to retain the energy-only market design. The AESO has thoughtfully considered feedback from stakeholders and carried out a productive consultation on a complex topic under unprecedented and difficult circumstances. Heartland commends the AESO for affording significant weight to stakeholder comments on this important issue.</p>

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