

**Stakeholder Comment Matrix – Feb 25, 2020**  
**Request for feedback on sub-hourly settlement, session 1 material**



<b>Period of Comment:</b> Feb. 25, 2020 through Mar. 13, 2020	<b>Contact:</b> [REDACTED]
<b>Comments From:</b> CanWEA	<b>Phone:</b> [REDACTED]
<b>Date:</b> 2020/03/13	<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 Mar. 13, 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 Mar. 13, 2020.*

	Questions	Stakeholder Comments
1.	Please describe why you are interested in sub-hourly settlement and how it affects your business.	CanWEA is the industry association representing members active in the wind energy industry in Canada. Our members are actively operating and developing wind energy projects in the province of Alberta, and any changes to the settlement process stands to have impacts on accessible revenues.
2.	Is your organization a load, supplier, both a load and supplier, a billing agent, or other. If other, please describe.	
3.	The AESO has described the scope for this process, general agenda items and timing for upcoming stakeholder engagements. Please describe if you believe the scope is appropriate. If not, please describe/provide your rationale.	
4.	At the session, the AESO outlined the objectives of the sub-hourly settlement, which was to improve price fidelity and incent flexibility. Do you have any comments on the objectives of the sub-hourly settlement engagement?	During the February 12 session outlining the AESO's work to date on pricing mechanisms, their analysis demonstrated that the current energy-only market rules were sufficient for incenting flexibility in Alberta. Subsequently, it is unclear why further market changes, such as introduction of sub-hourly settlement periods, would be required to incent any further flexibility. We request further analysis from the AESO on the necessity of any market changes to incent higher levels of flexibility.

	Questions	Stakeholder Comments
5.	<p>Are there considerations other than the following that should be taken into account to determine the value in moving to sub-hourly settlement interval?</p> <ul style="list-style-type: none"> <li>• The expected enhancement in price fidelity and flexibility</li> <li>• The expected financial impact on loads and generators</li> <li>• Implementation costs for the AESO and market participants</li> <li>• Timing required to transition to a sub-hourly settlement interval</li> </ul>	<p>Consideration on the expected financial impact on generators should take a higher priority when determining the value of the settlement interval, as these changes may have a negative impact on investments that were made under the current energy only market structure. For instance, a large majority of wind energy facilities operating in this province are likely to see a reduction in revenues if the AESO implements a sub-hourly settlement system. These investments were made with the expectation that the AESO would maintain an energy only market with an hourly settlement period, and revenues at risk in a sub-hourly process may have a significant impact on operations.</p> <p>It would also be helpful for the AESO to release their expectations of the full range of implementation costs expected by the AESO and market participants in the transition to and implementation of any changes. This would include implementation costs for generators, retailers, and distribution facility owners as they relate to hardware (metering), software (load settlement software) and human resources.</p> <p>CanWEA would also note that these risks to energy market revenues will also have an impact on the cost of Renewable Energy Program contracts, as more funding may be required to support projects during those settlement times when the market price is lower than the strike price. Likewise, there may also be fewer times in which the AESO <i>receives</i> revenue from REP contract owners. We request that the AESO provide of summary of their modelling of these costs as part of this consultation.</p> <p>Given the Australian experience presented during the jurisdictional review, it should be expected that the AESO will have increased costs in this implementation process. We request that the AESO provide both their expected costs, and how they will be applied to market participants.</p>
6.	<p>Please describe the size of your business in the approximate total MWhs consumed or produced in 2019.</p>	
7.	<p>Do you currently have interval metering installed in your operations?</p> <p>If yes, please describe the approximate volume of your business that was measured using interval meters in 2019.</p>	

	Questions	Stakeholder Comments
8.	<p>Can you identify which of the following elements will be affected by the implementation of sub-hourly settlements at <b>five-minute intervals</b>?</p> <ul style="list-style-type: none"> <li>• Metering</li> <li>• IT systems</li> <li>• Data storage</li> <li>• Other</li> </ul>	
9.	<p>For each of the elements listed in question 8 above, please describe the changes that would be required for your business.</p>	
10.	<p>The AESO is looking to understand the magnitude of costs during this initial phase. For each of the elements listed in question 8 above, please provide estimates of the cost required to implement these changes. If you are unable to provide cost estimates, please indicate when you can do so.</p>	
11.	<p>For each of the elements listed in question 8 above, please describe the timing required to implement these changes.</p>	
12.	<p>Can you identify which of the following elements will be affected by the implementation of sub-hourly settlements at <b>15-minute intervals</b>?</p> <ul style="list-style-type: none"> <li>• Metering</li> <li>• IT systems</li> <li>• Data storage</li> <li>• Other</li> </ul>	
13.	<p>For each of the elements listed in question 12 above, please describe changes that would be required for your business.</p>	

	Questions	Stakeholder Comments
14.	The AESO is looking to understand the magnitude of costs during this initial phase. For each of the elements listed in question 12 above, please provide estimates of the cost required to implement these changes. If you are unable to provide cost estimates by the end of the comment period (March 13, 2020), please indicate when you can do so.	
15.	For each of the elements listed in question 12 above, please describe the timing required to implement these changes.	
16.	The AESO has described some challenges that may impact market participants. Are there other challenges that have not been identified that are unique to the market participant or in general?	
17.	Should sub-hourly settlement apply to all market participants? Is it fair for sub-hourly settlement to only apply to a subset of market participants?	If Sub-hourly settlement should apply to all market participants.
18.	Does payment to suppliers on the margin (PSM) sufficiently incent generator response without sub-hourly settlement? If we move to sub-hourly settlement, is PSM still required to address the mismatch between settlement and dispatch interval?	CanWEA requests that the AESO provide analysis of the potential need for PSM at both the 5 and 15 minute interval, as compared to the current hour-long settlement period.
19.	Are there any other benefits that have not been identified? Please elaborate.	
20.	Is the approach used for this engagement effective? If no, please provide specific feedback on how the AESO can make these sessions more constructive.	

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21.	<p>The AESO seeks to be transparent through this stakeholder engagement process and would like to publish all information as received.</p> <p>Is the information provided in this feedback suitable to be published by the AESO on <a href="http://aeso.ca">aeso.ca</a>? If no, please indicate the sections of your response that should be redacted?</p>	
22.	<p>Please provide any other comments you have related to the sub-hourly settlement engagement.</p>	

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