

## Stakeholder Comment Matrix – Feb 25, 2020

### Request for feedback on sub-hourly settlement, session 1 material



**Period of Comment:** Feb. 25, 2020 through Mar. 13, 2020

**Comments From:** Suncor Energy Inc.

**Date:** 2020/03/12

**Contact:** [REDACTED]

**Phone:** [REDACTED]

**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@aes0.ca](mailto:stakeholder.relations@aes0.ca) by Mar. 13, 2020*
- 4. Stakeholder comments will be published to aes0.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.	As both a generator and load in the province, moving to sub hourly settlements would change how much Suncor pays for the energy it consumes and produces.
2.	Is your organization a load, supplier, both a load and supplier, a billing agent, or other. If other, please describe.	Suncor is a load, a self-retailer and a supplier.
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.	Suncor considers the scope and agenda items to be appropriate. The timeline may be rushed for participants to fully be able to provide the forecast cost and timing required to implement changes.
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?	

	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>With the movement to a more electrified society, rooftop solar, in-house battery storage, increased SMART technologies, and further automation there will be an increased desire for sub hourly interval settlements and for residential load to be billed based on actual individual consumption rather than shaped profiles. Suncor believes this long term pressure should be taken into account when estimating the value of moving to sub-hourly settlement intervals.</p>
6.	<p>Please describe the size of your business in the approximate total MWhs consumed or produced in 2019.</p>	<p>Suncor delivered ~4,000,000 MWh to the grid in 2019 while over the same period consuming ~350,000MWh at other sites.</p>
7.	<p>Do you currently have interval metering installed in your operations? If yes, please describe the approximate volume of your business that was measured using interval meters in 2019.</p>	<p>All of Suncor's electricity production and consumption is measured on interval meters.</p>
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>	<p>Moving to sub-hourly settlements would require small changes to data storage, accounting, and some processes.</p>
9.	<p>For each of the elements listed in question 8 above, please describe the changes that would be required for your business.</p>	<p>There will be small scale upgrades required to Suncor's systems and new processes implemented but overall Suncor does not expect the impact to be material.</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>	<p>At this time, Suncor anticipates the costs not to be material.</p>

	Questions	Stakeholder Comments
11.	For each of the elements listed in question 8 above, please describe the timing required to implement these changes.	Suncor does not believe the timing required to implement any required changes to be significant.
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>	Same as Question 8 – Moving to sub-hourly settlements would require small changes to data storage, accounting, and some processes.
13.	For each of the elements listed in question 12 above, please describe changes that would be required for your business.	Same as Question 9 – There will be small scale upgrades required to Suncor’s systems and new processes implemented but overall Suncor does not expect the impact to be material.
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.	Same as Question 10 – At this time, Suncor anticipates the costs not to be material.
15.	For each of the elements listed in question 12 above, please describe the timing required to implement these changes.	Same as Question 11 - Suncor does not believe the timing required to implement any required changes to be significant.
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?	Applying sub-hourly settlements only to a subset of market participants creates a mismatch between energy revenues and charges, which would need to be managed, likely through the tariff. It would be important to ensure that this does not result in cross-subsidization between market participants. Further it needs to be ensured that there aren’t any undue barriers preventing participants from opting into

	Questions	Stakeholder Comments
		sub-hourly settlement, e.g. from DFO tariff structures.
18.	<p>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?</p>	<p>Suncor does not believe that the PSM sufficiently incents generator response as it is inherently unfair to generators because their payments are not the same and do not reflect the value provided. For example, in an hour where price spikes to \$500 but the hour settles \$80 the following outcomes could occur:</p> <p>Generator A, whose offer price is \$100/MWh, receives \$100/MWh. Generator B, whose offer price is \$400/MWh, receives \$400/MWh. Both generators provided a value of \$500/MWh.</p> <p>A PSM mechanism would still be required when moving to sub hourly settlements because the issue it is intended to resolve stems from the misalignment between settlement and dispatch, which would be lessened but would still exist.</p>
19.	<p>Are there any other benefits that have not been identified? Please elaborate.</p>	
20.	<p>Is the approach used for this engagement effective? If no, please provide specific feedback on how the AESO can make these sessions more constructive.</p>	<p>Suncor would encourage the AESO to use an approach that facilitates more discussion.</p> <p>Further, parties that brought forward the issues that triggered the need for consultation could potentially be asked to present at the stakeholder session, explaining their issues and potential benefits from making a change.</p>
21.	<p>The AESO seeks to be transparent through this stakeholder engagement process and would like to publish all information as received. Is the information provided in this feedback suitable to be published by the AESO on aesocanada.ca? If no, please indicate the sections of your response that should be redacted?</p>	<p>Suncor consents to all information provided on this comment matrix to be published.</p>

	Questions	Stakeholder Comments
22.	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](mailto:stakeholder.relations@aeso.ca).