Session 2 – Sept. 24, 2020 Comments

Stakeholder comments on Session 2 [Posted Oct. 15, 2020]

1. Alberta Direct Connect Consumer Association (ADC)
2. AltaLink Management Ltd.
3. Canadian Renewable Energy Association (CanREA)
4. Capital Power Corporation
5. Cogeneration Working Group (CWG)
6. Dow Chemical Canada ULC
7. EDF Renewables Inc.
8. Energy Storage Canada (ESC)
9. Enmax Power Corporation
10. Heartland Generation Ltd. (HGL)
11. Imperial Oil
12. Industrial Power Consumers Association of Alberta (IPCAA)
13. Lionstooth Energy Inc.
14. RMP Energy Storage Inc.
15. Signalta Resources Limited
16. Suncor Energy Inc.
17. TC Energy
18. TransAlta Corporation
19. Turning Point Generation
20. URICA Asset Optimization
21. Utilities Consumer Advocate (UCA)

Alberta Electric System Operator

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Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Colette Chekerda
Comments From:	Alberta Direct Connect "ADC"			**Phone:**	780-920-9399
Date:	2020/10/06			**Email**:	colette@carmal.ca

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The ADC found the session valuable. Presenting the Option A and B as bookends was alarming to our members. The ADC feels that the session could have been more helpful with more comprehensive information that included potential designs for a standby tariff or interruptibe tariff.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	The ADC believes that the engagement approach coud work, but the AESO needs to be cognizant that different consumer groups as well as the TFO's have strong opinions on how the tariff redesign should go, and they won't be aligned. It will be up to the AESO to take a long term approach that is best for Alberta's economy and employment. If 65 customer's see a 100% plus increase for the benefit of a 4% decrease for the masses, we need to ask if that is the right decision if it means accelerated grid defections and loss of employment.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	The ADC does not support the AESO perspective that the status quo is not a reasonable outcome. The CP method has been in place since 2006 and has resulted in a flexible and responsive grid. The sites with on-site generation that use the grid for standy and those with interruptible loads have not required firm service and have behaved consistently during this period. The ADC went through great lengths in 2010 to lobby against Bill 50. Members stated clearly that the proposed CTI infrastructure would be unaffordable to the energy intensive trade exposed loads. The current 12 CP rate design has actually helped keep these customers connected to the grid and located in Alberta. In the absence of this tariff design, members will have no choice but to further reduce their reliance on the grid or shift production to other jursidictions. This will have the unintended consequence of not only losing their tens of millions of contirubution to the revenenue requirement, it could also mean businesses can no longer remain competitive in the province. In this case, it could mean significant job losses and reduced economic activity and local tax base for many Alberta communities.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	The ADC does not believe that Bookend A is a reasonable option and it should be rejected outright. Bookend B if based on the DTS peak instead of regional, and targeted peak hours in the winter and summer, not just one hour each weekday could have potiential. Cash flow is also a concern, so the ADC suggests that CP performance in the current year could establish charges in the following year. This rate design would be more similar to bulk system recovery in other jurisdicitons. The ADC had previously submitted a study by BAI on this.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	No comment
6.	Additional comments	The ADC is very concerned about the timing of the process. With COVID, scarce resources and limited information to work with, the ADC suggests adding 6 months or longer to the process. Key considerations for timing should include resolution of the self supply and export issue as well as the review of the transmission regulation. A review and updating of the regulation could in fact change the requirements of who could be allocated costs.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Hao Liu/Rob Senko
Comments From:	AltaLink Management Ltd.			**Phone:**	403-710-1247/403-874-6762
Date:	[20201008]			**Email**:	Hao.liu@altalink.ca/rob.senko@altalink.ca

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	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The September 24, 2020 session was valuable as the AESO made it clear it was moving away from 12-CP for recoverying bulk system costs and provided some straw-dog bookend rate options for stakeholders to discuss/debate. It would have been useful to have made some of the analysis available that the AESO relied upon for their slides to stakeholders in the meeting. However, the AESO's technical session on October 14, 2020 will help provide stakeholders a better understanding of the AESO's bookends A and B and the resulting rate impacts.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	AltaLink is supportive of the AESO's proposed engagement approach for its Bulk and Regional Tariff Design.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	AltaLink supports the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design. In AltaLink's opinion and confirmed by the AESO during its stakeholder sessions, 12-CP did very little to defer or mitigate transmission costs. By reviewing the AESO's most recent long-term plan, the majority of the costs are associated with transmission facilities to be constructed for generation. Therefore, sending a system-wide signal to loads, such as 12-CP, will do little to defer or reduce the costs associated with future load driven transmission projects.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	AltaLink agrees with the AESO's bookend A being one bookend as it looks to recover all of the bulk system costs by way of a fixed charge which is very different from the current ISO tariff. Bookend B, in AltaLink's opinion is just another alternative that still uses CP to recover bulk system costs. Given the inherent weakness of CP, an alternate bookend would be to not use CP at all, but a different price signal – many of which were set out in later slides. Both bookends could include more localized incentives to defer or mitigate transmission facility costs in combination with fixed costs and other rates.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	At the beginning of the meetng the AESO stated the tariff needs to change to reflect and adapt to different generation facilities that are connecting to the grid as well as the evolution of new technologies. As energy storage is a unique technology that can be used in a number of different applications, the AESO needs to recognize this when developing a tariff to charge for this technology when utilizing the transmission system.
6.	Additional comments	To reiterate AltaLink's comment at the meeting, there should be one dedicated session with stakeholders to discuss and determine feasible mitigation strategies for customers that are adversely affected by moving away from 12-CP to another bulk system cost recovery methodology. Stakeholders/customers that will be affected by a prospective rate methodology change may be more willing to discuss other potential rate options if they know there is agreement on a feasible mitigation strategy.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020 through Oct. 8, 2020	**Contact:**	Evan Wilson
Comments From:	Canadian Renewable Energy Association	**Phone:**	
Date:	2020/08/10	**Email**:	ewilson@renewablesassociation.ca

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The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Overall, Session 2 was helpful and informative for stakeholders. However, we are concerned that the discussion of energy storage did not integrate the information gathered from ongoing, parallel discussions that have been undertaken through the Energy Storage Roadmap, most notably through the Energy Storage Industry Learnings Forum (ESILF). It is our observation that the design of the two separate processes may preclude any information gathered from the Energy Storage Roadmap being integrated into the Bulk and Regional Tariff Design Stakeholder Engagement process. This mis-alignment may lead to redundancy and red tape in the overall process, as it means that the same issues may be brought up in both sessions. This is not an efficient use of time for the stakeholders attending both sessions.

2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	CanREA would like to highlight that the 12 CP methodology also has important implications for distributed generation, specficially with regard to the ability for DG to reduce DTS billings. Including this discussion in isolation in the bulk tariff review ignores the concurrent impact of the adjusted metering practice, any forthcoming policy and regulatory outcomes of the Distribution System Inquiry (DSI), the distribution tariffs, and the setting of bulk and regional rates. To address the overlap of so many concurrent and interacting regulatory engagements and initiatives, it is recommended that the AESO take into account any outcomes from the DSI report in its consultation. It is also recommended that the AESO also consider any relevant Commission language from the decision expected on Proceeding 25848. This decision is expected to impact Phase 2 of the AESO's tariff consultation, but cannot be ignored in Phase 1 if there are relevant findings. Further, if the design of the DCG credits are directed to change, it would be helpful if the AESO and DFOs could add that topic of consultation to the scope of the Bulk and Regional Rates Redesign. Doing so would allow for a more holistic and meaningful approach to consultation. In addition, while CanREA appreciates the option to offer alternate rate designs, the current timeline is insufficient for a full rate design proposal. Stakeholders have been asked to develop alternative rate design proposals in less than two weeks, with no prior indication that this was the AESO's intention following Session 1. We request at least four weeks be given to participants to discuss and develop proposals before presenting them. On Slide 35, the AESO indicates: "If market participants can adjust load behaviour that reduces future cost build, the overall reduction in costs should be shared with those market participants." The market participants do not have a window to determine a reduction in future cost builds. In addition, these future cost builds will change in geography and technical requirements over time as the load flow changes dynamics.

3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	CanREA appreciates that the system is evolving and the 12CP method requires review, however, we have concerns with the rigid bookends presented in Session 2. We understand that AESO is attempting to find a balance between costs that should not be avoidable and costs that will be used to send an efficient price signal. However, the proposed approach set out in Session 2 in our view represents an over-correction with the risk of significant unintended consequences. CanREA supports the efficient use of existing infrastructure and deployment of non-wires alternatives that meet electricity supply needs where these solutions are cost-effective, and where there is consideration of the integration of more renewables in any future network infrastructure investment decision. To this end, we recommend that demonstrably effective and efficient price signal remain sufficient to drive consumer behaviour with respect to peak avoidance. While the cost of existing transmission infrastructure must be recovered, it is vital that the AESO use its tariff design to incent behaviours that avoid unnecessary build out of transmission infrastructure, and more efficient use of the infrastructure currently in place. CanREA notes that a move from system peak to regional peaks is likely required to create efficient price signals such that behaviours incented result in less need for future infrastructure. Transparency on regional peaks is difficult to provide, or forecast. We would note that the AESO proposed to charge the regional peaks in three winter months and three summer months, and would question whether sufficient evidence exists to support this proposal. Similar to load flows that change over time, these regional peaks will likely shift in the coming years. By incenting stakeholders to invest now to avoid what may be a temporary regional peak could potentially give rise to greater risk of stranded assets. CanREA recognizes that the AESO is looking to evaluate mitigation options in Session 4. It is important that the AESO consider an equitable and reasonable rate transition mitigation option, *i.e.* moving from the current 12 CP methodology to a reformed approach over a 10+ year period. A mitigation that only provides grandfathering for “heavy 12CP responders” is not fair to all market participants. Depending on the options the AESO brings forth at this time, CanREA may be willing to propose an alternative mitigation approach. All options for recovering the cost of formerly critical transmission infrastructure that is no longer considered as such must be reviewed holistically. Shifting costs between ratepayer groups will not be a sufficient, long-term resolution to fundamental questions of systemic change to the Alberta electricity system. Moreover, doing so without an appropriate transition period in the midst of the current moment of extraordinary economic uncertainty may adversely impact the ability of the rate base to absorb these infrastructure costs.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	We request that more time be provided to future discussions of energy storage during this consultation process. There is considerable further discussion required specifically regarding energy storage, and we recommend that the energy storage engagement be given more priority in future discussions ofthe Bulk and Regional Tariff. Given the accelerating pace with which storage solutions are being put forward in the Alberta market, we recognize the importance of resolving important questions in terms of the tariff structure with the 2021 filing. However, this current stakeholder engagement does not allow for sufficient focus on these issues, nor does it allow for meaningful integration of the ESILF outcomes. We propose the following adjustments be introduced to this process to provide sufficient time for discussion: - The storage tariff design proposal be brought forward to the AUC for approval along with the Phases being filed on June 30, 2021; - The energy storage tariff treatment consultation timeline be modified to allow for discussion outcomes from the Energy Storage Roadmap and ESILF engagement to be brough forward into the tariff design discussion; and - At least two additional dedicated half-day sessions be set aside for energy storage discussion.
6.	Additional comments	

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Colin Robb
Comments From:	Capital Power			**Phone:**	(780) 392-5169
Date:	October 8, 2020			**Email**:	cmrobb@capitalpower.com

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The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Capital Power appreciates the opportunity to provide comments. The session on September 24th was useful to understand the AESO's latest thinking relating to bulk and regional rate design and energy storage. While it was useful, combining energy storage with bulk and regional rate design limits the opportunity to fully discuss and explore the issues relating to storage. Capital Power would suggest that discussion of tariff treatment for energy storage should occur in a separate forum that allows for more detailed discussion, and ensures that the issue gets the attention it deserves and requires.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	Capital Power supports the AESO's proposed engagement approach. However, given the current limitations on engagement as a result of the pandemic, the importance of the initiative, and the potential impacts, it is important to ensure that the engagement is effective and that stakeholders are fully aware of the proposed tariff changes and impacts prior to filing an application with the Commission.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Capital Power supports the perspective that the 12-CP is no longer an effective rate design for the allocation of bulk and regional costs. It is clear from the observed behavior in the market that the methodology does not properly allocate costs in a way that reflects cost causation, reduces costs, ensures equity, or encourages development in a manner consistent with FEOC, where generation is developed based on supply and demand in the energy market. While it is appropriate to review the rate design for bulk and regional cost allocation, it is also necessary to consider additional principles in the overall rate design objectives. This should include designing rates in a way that encourages loads to remain on the system and avoid defection or islanding from the Alberta Interconnected Electric System (AIES). Similarly, it may be appropriate to examine alternatives and modifications in rate designs that provide differentiated services to loads that align their usage of the system with an appropriate cost obligation. Exploration of these options supports the overall objective of retaining and attracting loads to the AIES.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	Capital Power submits that the bookends presented by the AESO are informative, however, they are not both reasonable alternatives to the current rate design. Bookend A – a single fixed cost rate based on billing capacity – is not a realistic rate design option as it inherits and perpetuates many of the existing concerns that arise from the current methodology. Bookend B presents concepts that, with modifications, may serve as an appropriate alternative to the current rates. There are a number of design elements that require additional exploration before concluding that Bookend B may be an appropriate alternative. The AESO notes these modifications in the presentation. Capital Power submits that additional modeling and analysis is necessary to evaluate and determine the suitability of these modifications prior to an application. This analysis and supporting data should be provided to stakeholders to encourage a more robust discussion of the options. This should be provided to stakeholders prior to AUC proceeding.

5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	Capital Power supports the AESO's conclusion that energy storage is capable of providing a broad range of specialized technical capabilities and services. It is important, however, to note that while it is unique to have a single asset capable of providing this broad range, each individual service is not unique. It is, therefore, important to ensure that the treatment afforded to energy storage is not unequal relative to the treatment of other technologies that are capable of providing each individual service. Recognizing this risk of unequal treatment, Capital Power submits that the ISO tariff should remain technology neutral and should not have a distinct rate applied to energy storage. Rather, the tariff treatment for energy storage should be disaggregated and aligned with the technology-neutral rates applied to all other assets. In considering an approach that mirrors the FERC Order 841 treatment for energy storage, it is necessary to understand how the AESO intends to define "market services". Consistent with comments above, it is important to ensure that the treatment aligns tariff signals for all technologies that are capable of providing a service and does not unduly favor any particular technology. Where Non-Wires Solutions are being proposed, the AESO notes they would be compensated through a contract payment. Consistent with prior comments, this procurement should be conducted in a manner that defines the system need, is open to all technologies capable of satisfying the need, and is not prescribing a specific technology. Further discussion with stakeholders is needed to confirm an appropriate procurement process that supports FEOC operation of the market and maintains a technology-neutral approach.
6.	Additional comments	Capital Power has no additional comments at this time.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020 through Oct. 8, 2020	**Contact:**	Kris Aksomitis
Comments From:	Cogeneration Working Group (CWG)	**Phone:**	587-894-7150
Date:	2020-10-08	**Email**:	kaksomitis@poweradvisoryllc.com

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3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	The AESO's proposed "bookends" are simply narrow variations on the same approach to move charges into a contract capacity billing determinant. The problem is not two-dimensional and the AESO has not adequately explored options with other billing determinants for costs not recovered on some kind of coincident basis, nor has the AESO examined the benefits of additional rate classes. In effect, the AESO has inappropriately limited its approach to increasing the importance of contract capacity to a greater or lesser degree combined with minor modifications to the real-time 12 CP billing determinant (more hours and regional peak rather than 12 CP). This is not an examination of potential bookends. Alternative billing determinants for both fixed and 'variable' charges are one approach the AESO failed to consider. With respect to alternatives to the 12 CP, the AESO must ensure its approach both addresses actual system needs and does not distort efficient outcomes in the real-time market. It is not clear the AESO has adequately considered both factors in its search for bookends. The 12CP based DTS tariff was designed to provide balance between various types of customers: customers requiring firm supply, customers with interruptible loads and customers requiring transmission as backup to self-supply. The AESO has not acknowledged these differences and should examine new rate classes as part of its overall approach to the tariff redesign. As an example, an 'active' rate class that has a must bid obligation could be used as a mechanism to differentiate flexible from inflexible loads rather than the variations on 12 CP the AESO has proposed as bookends. A standby rate class for infrequent system users with permanent self-supply should also be considered. The AESO does not appear to have considered efficiency in the real-time energy market nor the incentive both bookends create to reduce contract capacity.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	

6.	Additional comments	This consultation is a massive undertaking with significant monetary implications for numerous market participants. Given this fact, the AESO has not allowed adequate time for this consultation, nor has it adequately widened the scope. For example, the AESO has not created an opportunity to consider creating additional rate classes and how this could improve the function of the overall tariff price signal. The CWG submits that the AESO should not rush through this consultation in a handful of consultation sessions for filing with the Commission in Q1 2020. Instead, the AESO should establish a longer consultation process that allows adequate time for complex analysis in market participant development of alternatives. This may result in a delay of the regulatory filing, but by the AESO's own analysis, the proposed changes could impact a small number of customers by over $100M per year. A change of this magnitude must be carefully considered and unintended consequences must be contemplated to avoid further disruption. It is further unacceptable that the AESO spent six months working on the Session 2 bookends but then only allowed one week for parties to determine if they are willing and able to develop an alternative and only two weeks past that date for the development of an alternative proposal. This is inadequate time to develop a complete proposal and do all necessary analysis and calls to question the effectiveness of this stakeholder engagement.

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Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020 through Oct. 8, 2020	**Contact:**	Dwayne Aasberg
Comments From:	Dow Chemical Canada ULC	**Phone:**	780-998-8192
Date:	2020/10/08	**Email**:	dmaasberg@dow.com

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2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	One week from September 24 to October 2 is unreasonable to expect participants to prepare alternative rate design options. (AESO has been working on this for six months.)
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Dow does not support *the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design*. The 12-CP based tariff serves as a reasonable proxy for Firm, Interruptible and Standby customer classes. The AESO has not acknowledged the needs and capabilities of these different types of customers.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	AESO bookends A and B are not reasonable starting points for the Bulk and Regional Tariff Design. Bookends A and B are based on socialization of costs to large industrial companies whose unique needs of the transmission system, and use of the transmission system, are not being considered.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	
6.	Additional comments	

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Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	David Thornton
Comments From:	EDF Renewables			**Phone:**	416-557-9155
Date:	2020-10-08			**Email**:	David.Thornton@edf-re.com

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3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	EDF supports a tariff design that reflects long-run marginal costs associated with investment decisions. If the 12-CP design does not properly reflect the benefit of reducing consumption or adding onsite generation, a change is reasonable. However, EDF does not support an option that does not reflect any value for onsite generation or storage that reduces transmission investment requirements in either the short-term or long-term.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	Energy storage must be considered as a unique asset class. It is dispatchable, facilitates the efficient operation of the market and can be located to reduce transmission needs. It is not an end consumer of electricity, and options such as a non-firm tariff are reasonable to the extent storage is charged only for the truly variable costs it imposes on the system. A storage tariff should not influence real-time decision making, since the primary benefit of storage is allowing arbitrage and improving market efficiency. Tariff treatment should not create an incentive or disincentive for one type of market participation versus another, which is at risk with some of the AESO proposals. A storage tariff should incent, or at a minimum, not disincent, locational decisions that reduce the need for future transmission investment. The AESO's opportunity service option appears to incent poor locations because it would only be available where the storage asset contributed to a problem. This is not an efficient design choice.
6.	Additional comments	EDF believes a separate consultation should be undertaken for the storage tariff. This is a complex issue and very different from the issues associated with the bulk and regional redesign.

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Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020 through Oct. 8, 2020	**Contact:**	Justin W Rangooni, Executive Director
Comments From:	Energy Storage Canada	**Phone:**	416.997.3095
Date:	2020/10/08	**Email**:	jrangooni@energystoragecanada.org

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2. Please respond to the questions below and provide your specific comments.
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4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Yes, the session was valuable. The key drawback was the session was scheduled during Energy Storage Canada's annual storage conference and many of our members could not attend.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	Generally, ESC supports the AESO's proposed engagement approach. Energy Storage Canada is concerned that the activities and actions required to implement a storage specific tariff design will get overridden by broader regional and bulk tariff design change objectives. The engagement approach does not provide a framework to ensure that a storage tariff is not delayed by other AESO tariff activities.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Energy Storage Canada does not have an opinion on 12-CP assuming a storage specific tariff design is adopted.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	The transmission system is primarily designed and built for peak capacity needs (i.e., the size of the wires is determined by the maximum flow). A bookend in the AESO's process should be peak charges for the few peak hours of the year (e.g., the 12 CP). Including more hours during times when the transmission system is not constrained does not align with the cost driver for system design and construction.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	Energy storage is an intermediary market participant (i.e., energy consumed is injected later for end-use consumption). Applying transmission system costs to energy storage will increase the cost for services provided by energy storage to the detriment of end-use customers (e.g., like a fuel tax). Further, transmission charges for storage devices will reduce market efficiency by distorting charge/discharge decisions. Unless instructed by the AESO for specific service provision (e.g., frequency response), energy storage will not consume when the transmission system is constrained. Instead, energy storage will increase the utilization of the existing transmission assets, defer the need for new transmission system investments and lower the cost of electricity service for end-use customers. Energy Storage Canada does not believe that the AESO has appropriately considered the intermediary participation type of energy storage as it relates to tariff treatment. Costs paid by storage resources will ultimately be re-applied to end-use customers since storage assets will pass the costs along. Unlike gas-fired generation which is an end-use customer of the gas pipeline network, energy storage operates solely to increase the efficiency of the existing system. Energy Storage Canada is interested in understanding what other options were considered for tariff treatment by the AESO and any reasoning on why they were eliminated.
6.	Additional comments	

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Randy Stubbings
Comments From:	ENMAX			**Phone:**	
Date:	2020/10/08			**Email**:	rstubbings@enmax.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Yes, the session was valuable.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	ENMAX is generally supportive of the proposed engagement approach for the Bulk and Regional Tariff Design. However, ENMAX recognizes that, under the existing regulatory framework, potential changes to the AESO's existing rate design are limited.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	ENMAX agrees that the 12-CP is not a reasonable continued outcome of the Bulk and Regional Tariff Design. As discussed in ENMAX's response to Question 2 in the March 19, 2020 Stakeholder Comment Matrix: - there is zero to moderate correlation between system or regional loads and individual line flows, and even where correlations exist they do not indicate which loads should be increased and which should be decreased;

		- reducing load in some areas of the province can exacerbate the stress on some parts of the transmission system; - reducing a regional system peak from (say) 100 MW to 90 MW in July provides no benefit if the annual peak demand is 120 MW in December; and - generation dispatch is a significant factor in line flows, and since the dispatch can differ materially from one system peak to the next—especially due to the vagaries of the wind and the sun—the power flow on any given transmission facility can be very different between one system peak and the another. The latter point can only increase in importance as the volume of intermittent renewable generation increases. In recognition of the principles of fairness and rate stability, ENMAX supports a reasonable transition from today's 12-CP rate to any replacement rate. However, these principles must not be used to support an entrenchment of the status quo.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	Within the confines of the existing legislative framework, and recognizing the constraints imposed by the March 31, 2021 deadline for the next tariff application, the bookends are reasonable. However, over the longer term, options outside these bookends should be considered. For example, there may be opportunities to change the tariff's rate structure to better reflect the characteristics of individual customers without necessarily increasing the number of customer classes. There may also be opportunities to add new ancillary services to allow the benefits that customers can provide to the transmission system to be recognized directly, as opposed to *indirectly* recognizing those benefits through reductions in wire-related charges. Indirect recognition of benefits usually results in confusing and inaccurate price signals and unintended consequences.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	The AESO appears to have correctly recognized that an energy storage facility looks like a generator when it is producing power and looks like a load when it is absorbing power. This is consistent with the fact that the need for transmission facility additions or upgrades, and therefore cost, is driven by power flows, not by how the power is produced or what a customer uses the power for. It would be a violation of the principle of cost causation to create special rates for specific types of customers.

		ENMAX also notes that the AESO appears to have multiple initiatives relating to the development of energy storage in Alberta (e.g., Bulk and Regional Tariff, Energy Storage Roadmap and Energy Storage Industry Learnings Forum). Given the interdependent nature of these processes, ENMAX seeks to better understand how the scope of work and timelines for each initiative aligns with one another. There appears to be duplication of work and the potential for key decisions to be made in isolation.
6.	Additional comments	**Comments on the AESO's Objectives** <u>Reflect Cost Responsibility</u> On Slide 29 of the September 24 presentation, under the objective *Reflect Cost Responsibility,* the AESO states that "Cost recovery is based on the benefit and value transmission customers receive from the existing grid." ENMAX believes it is important to be clear about what is meant by "value" in this context. The value customers receive from the transmission system includes voltage stability, frequency stability, the ability to maintain supply/demand balance in real time, the availability of backstop generation when on-site generation fails, and the ability to buy energy from or sell energy to the competitive market. These benefits require physical connections that have associated wires costs. While ENMAX does not believe there is sufficient time before the planned tariff filing in March 2021 to properly measure and attribute these benefits through an updated tariff design, we do believe they must be considered in a longer-term tariff development plan. What "value" must not be interpreted to be is the value customers derive through the production or consumption of electricity. Regarding consumption, the fact that one customer heats an office building, a second produces a product for export, and a third charges a battery-based energy storage system is irrelevant from a tariff perspective. It follows that tariffs must be based on the cost of providing each transmission-system benefit and an appropriate allocation of that cost across all customers. Each customer's share, in turn, must be based on measurable electrical quantities such as maximum demand or total energy; it must not be based on the characteristics of the customers themselves (subject, of course, to legislative requirements). To the extent that a customer can provide benefits to the grid, it should be compensated through the appropriate market, whether that be the energy market or the ancillary services market (perhaps with new services). For example, all customers that can help restore supply/demand balance through power injections or demand reductions in compliance with the AESO's technical requirements must be compensated in the same way; the fact that one customer is

		an energy storage system and another is an interruptible industrial process is irrelevant. In view of the foregoing, ENMAX believes it would be appropriate to replace the statement that "Cost recovery is based on the benefit and value transmission customers receive from the existing grid" with something like "Cost recovery is based on the cost of providing each transmission service and an appropriate allocation of that cost across all customers." **Comments on the AESO's Objectives** On slide 29 of its September 24, 2020 presentation, the AESO describes its tariff design objectives. Further description is provided in its *2020-2021 Plan for ISO Tariff-Related Activities,* dated September 14, 2020. <u>Efficient Price Signals</u> On Slide 29 of its September 24, 2020 presentation, the AESO describes the *Efficient Price Signals* objective as "Price signal to alter behavior to avoid future transmission build." On page 1 of its September 14 document, the AESO states that consumers need clear and stable price signals so they can make effective business decisions. It also states that price signals must incent the efficient use of transmission infrastructure, effectively reflect the cost of transmission service, be simple, and be adaptive to changing conditions. The AESO indicates that it is "taking steps to modernize the structure of the ISO tariff and design of rates to prepare the ISO tariff for the transformation that is taking place on Alberta's grid." The AESO's stated goals may be commendable goals in isolation; however, the long-standing goal of "stable" price signals was already thwarted by the dramatic increase in wires costs over the last decade. Moreover, the AESO itself has cited significant instability with possible (and necessary) changes to the 12-CP rate. Given the rapidity of the technological, cost, and market changes that are driving the need for tariff modernization in the first place, it seems unlikely that a "stable" price signal is either achievable or compatible with one that is "adaptive to changing conditions." In ENMAX's view, the AESO should: (i) establish a hierarchy of objectives, and (ii) be more realistic in stating what is achievable. Since "the overall objective is to ensure the AESO continues to facilitate a fair, efficient, and openly competitive market," which it is legislatively bound to do, this must remain the highest-priority objective. That objective is further supported by the Commission's repeated determination that adherence to the principle of cost causation—which is a

		prerequisite for both fairness and economic efficiency—is of paramount importance in any rate design. Also on the subject of price signals, ENMAX agrees with the AESO that the 12-CP rate: results in higher rates to customers that cannot respond to the price signal; sends an inefficient signal to reduce consumption, or develop on-site generation to self-supply, during the 12-CP hours without producing a significant reduction in transmission costs; and artificially increases interest in maximizing DCG credits provided by DFO tariffs. In our view, correcting these flaws—especially inter-customer subsidies—must take precedence over simplicity or stability. <u>Minimal Disruption</u> Another AESO objective is that "Customers that have responded to the 12-CP price signal and invested to reduce transmission costs are minimally disrupted." ENMAX agrees that a reasonable transition from today's tariff to a future tariff with a significantly reduced or eliminated 12-CP rate is appropriate. However, every generation investment made in Alberta since deregulation has been made with the knowledge that there are market, legislative, and regulatory risks. The objective of minimal disruption must not be allowed to thwart changes that would improve the tariff's efficient and its fairness toward other customers. <u>Simplicity</u> One of the AESO's objectives is "simplicity and clear price signals while achieving design objectives." While simplicity may be desirable, it must be the lowest-priority objective. As the AESO notes on page 5 of the September 14 document, "the structure of the ISO tariff has remained largely unchanged since deregulation of the electricity market in Alberta." It also notes that "connections to the transmission system are shifting away from the traditional one-way power flow to more dynamic two-way flows at many points of connection to the grid." It seems highly unlikely that the increasing penetration of intermittent generation, energy storage systems, and DCG, along with the consequent move to more dynamic power flows, can fairly or efficiently be dealt with through a tariff structure that is simpler than what already exists. <u>Innovation and Flexibility</u> Another AESO objective is that the "ISO tariff provides optionality for transmission customers to innovate while not pushing costs to other customers." In its evaluation of the current state of the tariff (see p. 30 of the September 24 presentation), the AESO rates innovation and flexibility as "achieves objective." ENMAX does not

		agree with this evaluation. The AESO's own assessment of 12-CP, for example, shows that it pushes costs to other customers. **Comments on the Modular Approach** The AESO states on page 1 of the September 14 document that, "To promote a more nimble approach through this evolution, the AESO has proposed to address changes to tariff provisions with the AUC using a modular approach as opposed to a comprehensive tariff filing." In ENMAX's view, this approach must be used with caution. Since the tariff revenue requirement must be recovered, recovering less of that revenue requirement from one element of the tariff element automatically leads to an increase in recovery from another element. (One example of this is cited by the AESO on page 5, where it notes that the chosen path for the treatment of energy storage can have interactions with rates for system cost recovery.) As such, a detailed review of the knock-on effects of any proposed change is essential.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020 through Oct. 8, 2020	**Contact:**	Kurtis Glasier
Comments From:	Heartland Generation Ltd. (“Heartland Generation”)	**Phone:**	(587) 228-9617
Date:	[2020/09/23]	**Email**:	Kurtis.Glasier@heartlandgeneration.com

Instructions:

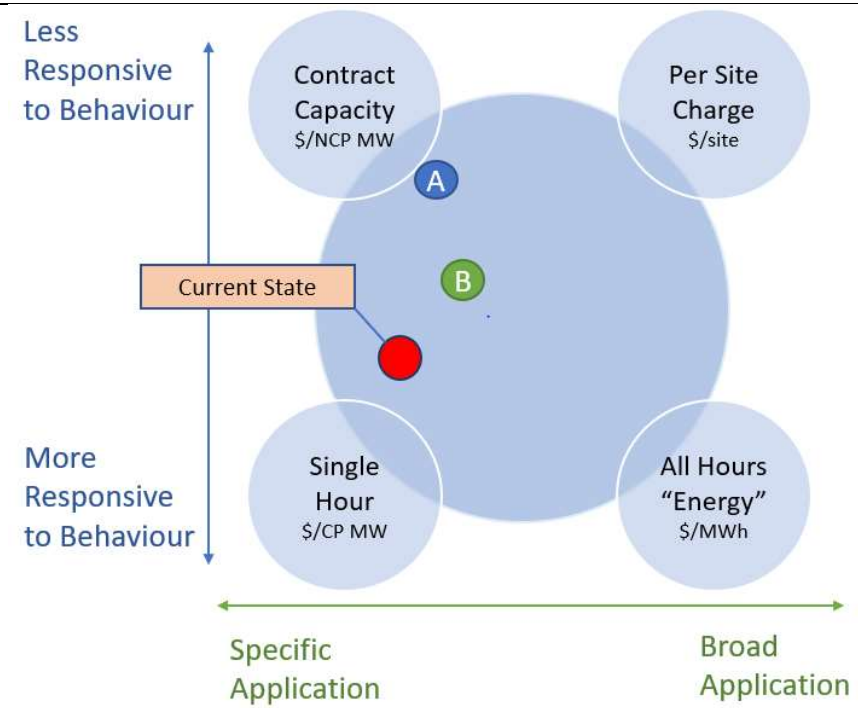
1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Heartland Generation appreciates the opportunity to meaningfully engage with the AESO and other stakeholders prior to the filing of the Independent System Operator (ISO) Tariff, expected in March 2021.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	Heartland Generation is in favour of the engagement approach as outlined by the AESO in the 2020-2021 Plan for ISO Tariff-Related Activities; comments in support of this process were submitted to the AESO on October 6, 2020 in reply to the AESO's request for feedback. On slide 17, the AESO states that it intends to "Supply stakeholders with analysis tools for bulk and regional cost recovery impact analysis." Heartland Generation suggests expanding the analysis to include efficiency analysis of a given rate design. Stakeholders should be given the tools to assess the market efficiency of a chosen rate design, not just the resulting impact to customer rates.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Heartland Generation does not agree with this characterization. Before impugning the currently approved, just and reasonable ISO Tariff the AESO should provide substantiated evidence. The AESO claims that 12-CP is "an inefficient signal that is driving increased behavior to reduce consumption, or develop on-site generation to self supply, during the 12-CP hours without a corresponding reduction in system costs as they are mainly sunk." However, the degree to which system costs are sunk is, presumably, the same today as it was at any time in the past. It appears that customers have responded to the Alberta Utilities Commission (AUC) approved, and previously AESO-endorsed, 12-CP price signal as intended. Despite its claims, the AESO has failed to produce any factual evidence that this response is inefficient. Indeed, in the 2014 Tariff proceeding, the AESO provided extensive evidence supporting the 12-CP methodology for recovering Bulk System costs that is still in use today.

		Specifically, as shown in the following excerpt from AUC Decision 2014-242, it confirmed that the Bulk System is planned for system peak, and that it is both desirable and rational for customers to reduce their load to avoid that system peak: 127. With respect to the AESO proposal to continue the use of the 12 CP method, the Commission notes the testimony of Mr. Martin that the existing rate design appropriately allocates costs based on cost causation: Yes. The 12CP method seems to reflect one of the major considerations for planning and developing the transmission system. The system is studied and developed under system peak conditions, which would be coincident peak in the CP terminology: winter system peak, summer system peak. And it charges customers for the cost of the system based on their contribution to that system peak. If a market participant contributes a greater share to that system peak than other market participants, then the contribution of the greater share should lead to greater costs being charged. A perfectly flat load profile that an industrial customer can sometimes almost achieve, contributes 100 percent of the load to that system peak and pays a fair share of the bulk system based on that contribution. I think the issue is for market participants who can respond to the system peak signal and be able to reduce their load during the periods in which system peak usually occurs. So those customers end up paying somewhat less towards the bulk system because they're not on peak. So that seems like a reasonable outcome to me and a fair reflection of cost causation to the allocation of cost. Doesn't seem like favouring one party over the other. Based on the AESO's evidence, the Commission concluded that customers who reduce their load to avoid system peak are not "gaming the system," but rather appropriately responding to the price signal that is given to them: 124. The Commission considers that when viewed in context, Mr. Martin is not stating customers are gaming the system. Rather, they are responding to the price

		signal appropriately – reducing load to avoid system peak and thereby reducing the need for bulk system expansion. The Commission agrees with the assessment of the AESO that the response of market participants to the coincident peak demand price signal demonstrates the effectiveness of the rate design rather than providing evidence of gaming the billing determinant. Unlike in 2014, however, the AESO now appears to be claiming that the current 12-CP methodology has become invalid simply because of the magnitude of the resulting rate.
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	Heartland Generation does not agree with the characterization of the proposed rate designs as “bookends” – instead, they are simply two possible rate design options among many, which will become apparent when stakeholders present their alternative designs. Unfortunately, it is difficult to assess options A and B because the AESO has provided little to no analysis with which to evaluate them. To be clear, the AESO’s diagrams from slides 34 to 37 do not count as analysis – they are merely subjective illustrations without any kind of empirical support. Further, the AESO’s so-called “sweet spot” is so qualitative and unsubstantiated as to be meaningless. To more fully capture the range of possible rate designs, the Tariff design boundaries shown on slides 31-37 should be re-assessed. Heartland generation believes that possible rate design options would fall on a spectrum between those that are “less/more responsive to load behaviour” and those that have a “broad/specific application”. The “more responsive to behaviour” rates would be those with determinants that can be more easily managed by customers, such as coincident peak load and energy consumption; whereas the “less responsive to behaviour” rates would be those with determinants that can be less easily managed by customers, such as non-coincident load and a site connection itself. Likewise, the rates with a more “specific application” would be those based on determinants measured in fewer hours, whereas the rates with a more “broad application” would be those based on determinants measured in more (or all) hours. This spectrum is represented below:

		
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	Heartland Generation has no specific comments regarding energy storage tariff treatment at this time. No, Heartland Generation has no additional clarifying questions at this time.
6.	Additional comments	The AESO has proposed a rate design objective of "reflect cost responsibility," which it describes as follows: "cost recovery is based on the benefit and value transmission customers receive from the existing grid." Heartland Generation disagrees with this

		description because it leads one to believe that a rate should (or even could) reflect the benefits of receiving transmission service instead of the cost of providing that service. Ultimately, the value a customer derives from receiving service is subjective, highly variable, and difficult to quantify; therefore, it is misleading to suggest that their rate would reflect it. Instead, the idea of "cost responsibility" is better described as "cost causation" – i.e. those who cause the cost are responsible for paying it. Cost causation is the principle that has been reflected in previous AUC proceedings and is a cornerstone for setting just and reasonable rates. Therefore, Heartland Generation proposes that the objective of "reflect cost responsibility" either be removed or changed to "reflect cost causation."

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Myles Fox
Comments From:	Imperial Oil Resources			**Phone:**	587-476-4175
Date:	2020/10/08			**Email**:	Myles.Fox@exxonmobil.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Agree with IPCAA comments: 1. Provide more time for technical questions, more information and billing examples supported with appropriate analysis / tools for bulk and regional cost recovery to illustrate impacts of the "bookend" options so customers can understand the impact of these AESO options on their bill. 2. Schedule time directly after the relevant presentation material with specifc customer segments to review the material & impacts. 3. Break up the session into half-day sections 4. A separate session should be held for energy storage
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	The proposed approach is not sufficient for customers to understand a proposed tariff overhaul, justifications for the overhaul and impacts as being proposed by AESO. Of the Session 2 objectives, several were not met, including: • Review and gain acceptance on process and approach to complete a rate design • Reconfirm tariff rate design objectives and balance of trade-offs • Understand rate design bookends • Identify initial implications of rate design bookends • Provide technical clarity around rate design bookends Customers need more help and time to understand the impacts than what was provided in Session 2. It would be useful for the AESO to host customer-specifc sessions for clarification and understanding.

3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	The AESO has not provided any information to support the claim that the status quo is not a reasonable continued outcome especially since CP is a very common approach throughout North America.
		
		There is a lack of justification supporting the AESO perspective and the AESO should provide stakeholders with a clear understanding of:
		• Why changes are required at this time
		• What issues are driving the need for change
		• How we should quantify these issues
		• Will additional changes be required in short order when:
		  ○ The Transmission Regulation is re-examined by government
		  ○ The AUC makes any changes highlighted during the Distribution System Inquiry (such as aligning transmission and distribution rates)
		  ○ Changes are made regarding self-supply and export
		  ○ Sub-station fraction and DCG credit issues are resolved

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	The AESO's proposed "bookends" are simply narrow variations of the same approach used previously to move charges into a contract capacity billing determinant. In effect, the AESO has inappropriately limited its approach to increasing the importance of contract capacity to a greater or lesser degree combined with minor modifications to the real-time 12 CP billing determinant (more hours and regional peak rather than 12 CP). This is not an examination of potential bookends.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	No comments at this time.
6.	Additional comments	The AESO should not rush through this consultation in a handful of consultation sessions for filing with the Commission in Q1 2020. Instead, the AESO if it wishes to proceed should establish a longer consultation process that allows adequate time for complex analysis of proposed alternatives by market participants. This may result in a delay of the regulatory filing, but by the AESO's own analysis, the proposed changes could impact a subset of customers by over $100M per year. A change of this magnitude must be carefully considered and unintended consequences must be contemplated to avoid further disruption.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020 through Oct. 8, 2020	**Contact:**	Vittoria Bellissimo
Comments From:	Industrial Power Consumers Association of Alberta (IPCAA)	**Phone:**	403 966 2700
Date:	2020/09/25	**Email**:	Vittoria.Bellissimo@IPCAA.ca

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Suggestions for next time: 1. Facilitate a separate session for energy storage 2. Provide more time for technical questions and schedule this time directly after the relevant presentation material 3. Break up the session into half-day sections 4. Release a bill estimator and the promised “analysis tools for bulk and regional cost recovery impact analysis” along with the “bookend” options so that customers can understand the impact of these AESO options on their bill. This should be done prior to the next session.
2.	Are you supportive of the proposed engagement approach for the AESO’s Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	The proposed approach will not be sufficient for customers to understand a proposed tariff overhaul, if that is the AESO’s intent. Of the Session 2 objectives, several were not met, including: • Review and gain acceptance on process and approach to complete a rate design • Reconfirm tariff rate design objectives and balance of trade-offs • Understand rate design bookends • Identify initial implications of rate design bookends • Provide technical clarity around rate design bookends Customers will need much more help than what was provided in Session 2. It would be useful for the AESO to host customer-specifc sessions for clarification and understanding. IPCAA understands that the AESO wants to provide one major stream for stakeholder engagement; however, customers will not ask their account-specific questions live on a recorded webinar with the broad industry listening in. In order to ensure all stakeholders receive the same information, the AESO could consolidate the general information and provide it to the industry at large.

3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	After Session 1, Session 2, TDAG and all of the sub-working groups, the AESO has not provided any information to support the claim that the status quo is not a reasonable continued outcome. CP is a very common approach throughout North America. The only solid case that has been made is that CP in the shoulder seasons may not provide value to the system.
		
		If anything, it is even more rational now, during a global pandemic and economic downturn, to continue with the status quo and avoid introducing any additional uncertainty for consumers who are doing their best to operate their businesses during these challenging times.
		
		The AESO should provide stakeholders with a clear understanding of:
		• Why changes are required at this time
		• What issues are driving the need for change
		• How we should quantify these issues
		• Will additional changes be required in short order when:
		  ○ The Transmission Regulation is re-examined by government
		  ○ The AUC makes any changes highlighted during the Distribution System Inquiry (such as aligning transmission and distribution rates)
		  ○ Changes are made regarding self-supply and export
		  ○ Sub-station fraction and DCG credit issues are resolved
		
		Large capital investments require a stable regulatory environment. We have considerable uncertainty already. It would be a mistake to make a significant change, only to have to make another significant change in short order when these issues are resolved.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	No – the AESO's "bookends" are not reasonable starting points and are clearly not bookends. The AESO is effectively looking to shift ~$100M to a sub-set of customers. More information needs to be provided on bill impacts; however, we estimate the cost savings to a typical residential customer to be in the order of ~$1.20 per month. This is static savings. If these proposed cost shifts put companies out of business, which they very well could, the cost savings will quickly disappear. The AESO has provided no information on possible modifications and/or mitigation for consideration at this point. Implementing a major tariff overhaul resulting in either AESO option A or B, during a pandemic and economic downturn, is **irresponsible**.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	No comments at this time.
6.	Additional comments	The AESO needs to demonstrate that they have done everything in their ability to reduce costs to customers and take responsibility for previous decisions that have put customers this position.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Erika Goddard
Comments From:	Lionstooth Energy			**Phone:**	
Date:	2020/10/08			**Email**:	erika.goddard@lionstoothenergy.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
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4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	While Session 2 was long, the dialogue between stakeholders and the AESO was valuable.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	Lionstooth does not believe that the AESO has sufficiently provided quantitative analysis on the need for change or on proposed alternative rate designs, especially in light of the departure from alternatives proposed in March. Any analysis should include an iterative round where the impact of these proposed changes is "mapped out" to model future behaviors as a result of changes to the B&R Tariff design. It is vital to have not only an understanding of the immediate impact of any changes, but also insight into medium and long term responses, to ensure that the price signal is efficient and effective, and to resolve any unintended consequences. We believe that by providing more detail up front, backed by quantitative data, the AESO can achieve alignment on fundamentals prior to moving on to the next step in the process. The current leap to "bookends," has avoided any presentation of quantitative analysis showing failure of the current system and the shortcomings of alternatives.

		In the process schedule there does not appear to be a feedback loop to discuss both the AESO's bookends and / or for stakeholder alternatives. Instead, the consultation jumps straight to the AESO's preferred design. Lionstooth strongly believes that quantitative analysis and the resulting impact of any changes on stakeholders must be well understood prior to filing with the Commission. As such, Lionstooth would support additional Sessions, as needed.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	No. While Lionstooth appreciates the AESO's efforts to demonstrate the current state and the AESO's preferred "sweet spot" we remain unconvinced that B&R tariff signals are causing inefficient outcomes. There has been no analytical justification provided for moving away from Coincident Peak design, nor any indication that material changes to B&R tariff design will result in more efficient outcomes (let alone an idea of what an "efficient outcome" is). In the short-term, any changes to the tariff are simply a reallocation exercise, one that must balance the magnitude of impact versus the magnitude of benefit. Over the long-term, rate design that impedes a customer's ability to manage their delivered cost of electricity will either result in less energy efficient outcomes or a more drastic response, such as defecting from the grid entirely, especially from those who have proven their ability to make investments in response to tariff signals (i.e. 12CP responders or those with on-site generation). Lionstooth supports improving the ISO tariff, and notes that any changes to B&R tariff design must be coordinated with improvements to system planning. It appears as though the current predicament has as much to do with lack of analysis from a planning perspective, resulting in an overbuilt Tx system.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	

The AESO's bookends are only reasonable if they are in fact bookends, and not representative of the AESO's preferred rate design. Further, there is a lack of quantitative analysis accompanying these bookends in order to truly understand the impacts and response. Lionstooth offers the following as some quick analysis for illustrative purposes.

Tariff design can be viewed at a view high-level, in terms of impact on different stakeholders:

	Do Nothing	Bookend A / B
Utilities	Indifferent – "Guaranteed" Revenue Recovery (backed by policy and principles of rate design).	
Those who <u>cannot</u> respond to tariff signals (i.e. residential)	No better off. Sunk costs are high, no ability to respond to signals regardless of rate design.	
Those who <u>can</u> respond to tariff signals (i.e. Tx connected loads)	Able to manage delivered electricity costs, through commercial / physical means.	Materially harmed by reallocation of costs. Incented to make drastic long-term choices.

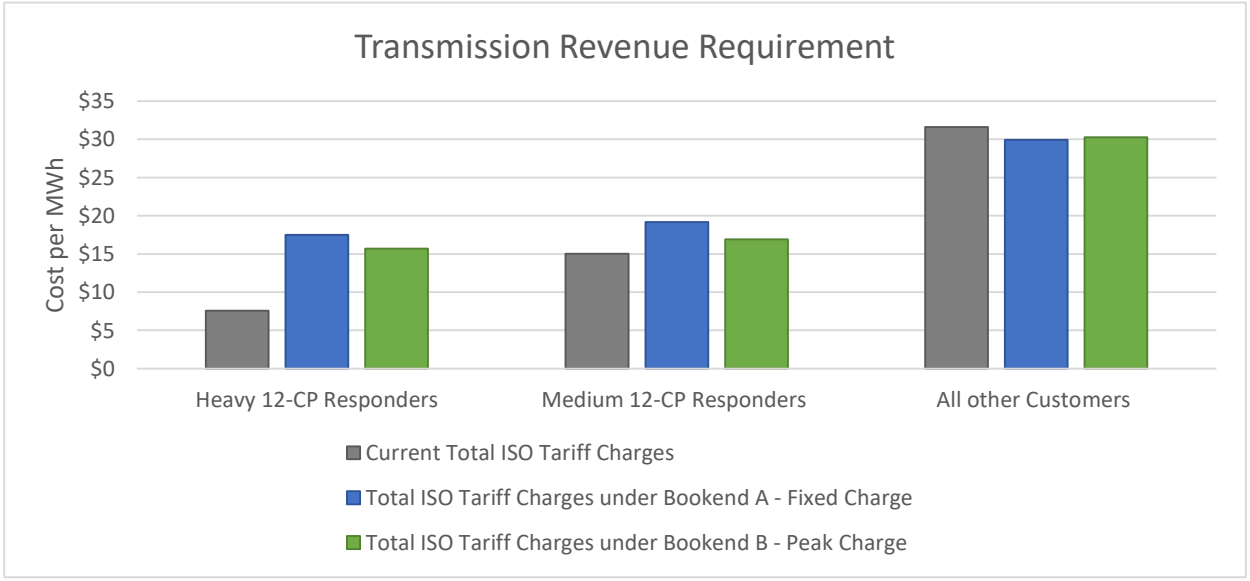
The reallocation of costs proposed as a result of either bookend materially harm one group of stakeholders, those who can respond, without providing material benefit to others. While the reallocation of Tx revenue requirement outlined by the AESO (slide 42) represents hundreds of millions of dollars, on a per energy usage basis (per MWh), this reallocation does little for customers who cannot respond to tariff signals.

The table below outlines some "quick math" converting approximate contract capacities (MW) into approximate energy consumption (MWh) and quantifying the impact and benefit in terms of $/MWh.

Initial Analysis of Rate Impacts (inputs from Slide 42)

Customer Group	Approximate Amount of Contract Capacity	Load Factor	Approximate Energy	Current Total ISO Tariff Charges		Total ISO Tariff Charges under Bookend A - Fixed Charge				Total ISO Tariff Charges under Bookend B - Peak Charge			
								Change from Current				Change from Current	
	MW	%	MWh	$	$/MWh	$	$/MWh	$	%	$	$/MWh	$	%
Heavy 12-CP Responders	1,500	80%	10,512,000	$80,000,000	$7.61	$184,000,000	$17.50	$9.89	130%	$165,000,000	$15.70	$8.09	106%
Medium 12-CP Responders	380	80%	2,663,040	$40,000,000	$15.02	$51,000,000	$19.15	$4.13	28%	$45,000,000	$16.90	$1.88	13%
All other Customers	11,120	70%	68,187,840	$2,155,000,000	$31.60	$2,040,000,000	$29.92	-$1.69	-5%	$2,065,000,000	$30.28	-$1.32	-4%
TOTAL	**13,000**		**81,362,880**	**$2,275,000,000**		**$2,275,000,000**				**$2,275,000,000**			

On a gross and per MWh basis, the impact to those who can respond to tariff signals is staggering, especially when considering that the associated benefit is less than $2/MWh for all other customers. For a typical residential customer, the savings that would be created under either bookend would be less than a good cup of coffee a month. The magnitude of impact is illustrated below:



	Given feedback already expressed by some stakeholders during Session #2, the longer-term impacts of the AESO's bookends would be drastic, and could range from going out of business to defecting from the grid entirely, causing responses that would ripple through our economy as a whole. Further, there has been no analysis demonstrating how such drastic changes would send more efficient signals that would benefit future system planning and deferral of continued Tx growth. In fact, the opposite was suggested by some stakeholders, that removing current tariff signals, as proposed, could cause customers to be less energy efficient, resulting in the need for further Tx growth, further exacerbating the issue. Again, these bookends are only reasonable as demonstrations of some of the worst-case scenarios, and do not lead us down a path of minimal disruption.	
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	Lionstooth notes that any tariff treatments that are afforded to energy storage, would also need to be available to other stakeholders that behave in a similar manner, including loads and generators.
6.	Additional comments	Lionstooth appreciates the AESO scheduling a Technical Session in response to feedback from Session #2.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Robert Stewart
Comments From:	RMP Energy Storage			**Phone:**	587-920-4833
Date:	[2020/10/08]			**Email**:	Robert.stewart@rockymountainpower.ca

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Agree that application of the CP-12 methodology does not align with system costs as, in general, there is sufficient bulk system capacity. CP-12 does not send the right signals to new generation or load customers.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	No. These bookends assume that all customers want the same service. There should be consideration of non-firm load customers that use the transmission system only when capacity is available. This could be completed with AESO having the ability to dispatch non-firm loads off or direct trip when capacity reaches a defined constraint. This allows for future participants to be added to the system without increasing the transmission capacity while increasing the utilization of the existing system. These rates can be applied to current load customers that have invested to avoid CP-12 events, energy storage and interties. To be successful, these rates should reflect that these assets do not require additional transmission capacity and therefore pay a lower rate equivalent to those who avoid CP-12 or import/export opportunity rates today.

5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	Yes. Energy storage is not the same as a load customer. Charging energy storage as a firm load customer does not align with FEOC as energy storage will not utilize transmission capacity when there is a cost associated in doing so provided there is a clear real time signal of this cost. As shown, CP-12 does not align with actual transmission costs or pool prices and therefore is not a sufficient real time signal. This is not fair or efficient and therefore prevents open competition. Treating energy storage as a firm load customer under either book end put forth by the AESO suggests that energy storage assets add to the cost of the transmission system. This is inefficient as generally storage assets would locate where there is transmission capacity available during low load hours to charge and reduce transmission requirement when discharging. With proper signals through a non-firm tariff, energy storage will locate where it is most economic therefore will not cause any transmission costs increases. This would be fair and efficient use of existing transmission while enabling open competition. Should additional transmission be required for a new energy storage asset or any non-firm load, then this would trigger the asset to connect as a firm load and pay the full bulk system charge for the capacity of the additional transmission. Energy storage should be treated similar to an intertie with non-firm capacity (ex. similar to ATC) as it acts exactly the same as a intertie. Treating it differently does not align with FEOC principles. The only difference between energy storage a tie line is that energy storage can only regenerate the electricity in the province, therefore providing benefit to consumers by adding additional generation onto the system during high prices. Should there be load or dual use customers willing to operate in the same manner, they should all operate under the same interuptable rate as per FEOC principles.
6.	Additional comments	Increasing utilization of the transmission system or reducing payments to transmission owners are the only way to reduce cost to consumers. This cost is what is driving consumers to avoid transmission costs and ultimately consider grid defection. Shuffling the costs into other bins creates false market signals that customers will figure out how to avoid and require tariff redesign in the future. Non-firm rates enables additional load to be added to the system without additional transmission being built and the small charges paid by these non-firm customers will decrease all individual consumer costs. This includes having interties pay the same rates as internal market participants such as energy storage.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Colin Thompson
Comments From:	Signalta Resources Limited			**Phone:**	403-875-6182
Date:	[2020/10/08]			**Email**:	colin.thompson@signalta.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	- Signalta is supportive of the proposed engagement approach only if industry's comments and push back are seriously taken into consideration by AESO.

3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	- Signalta is not in support of AESO's perspective on this matter. Signalta does not agree that the 12-CP is an unreasonable continued outcome of the Bulk and Regional Tariff Design. The 12-CP is a stable and reasoned approach to address congestion on the Alberta grid. It gives reasonable opportunity for load to avoid and it give reasonable opportunity for generation to respond. But it is also not possible to predict perfectly and only rewards those that are highly sophisticated and active in addressing the underlying objective of the program. - Instituting reform of the nature and extreme propsed by AESO would be detrimental to our industry that has already made significant investments and developed projects based on the existing tariff design or an expectation that whole sale and under-justified changes are not to be expected. Future investment in Alberta and in behind-the-fence generation will continue to be severely hampered by AESO's pursuit of such significant changes without substantial proof of need and efficacy. Given the long term investments made and risks developers of all sizes take in this industry, it is inappropriate and harmful for the AESO to be shifting around substantial economic structures without a very high burden of proof of costs and benefits. - Industry participants including ourselves make economic decisions based on the existing framework and assumptions of reasoned regulatory evolution. Returns in this industry are not substantial and regulatory changes/risks have to be appropriate and well substantiated to attract capital. Otherwise, capital has and will continue to migrate elsewhere. If our regulatory framework changes and continues to change as AESO has actively been proposing (capacity market, fractioning, line loss allocations, feeder level DG allocations, etc.), future project development and recovery will continue to be stunted. Ultimately such approaches are corrosive to Alberta's economy.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	
6.	Additional comments	

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Horst Klinkenborg
Comments From:	Suncor Energy Inc.			**Phone:**	(403) 296-4938
Date:	2020/10/08			**Email**:	hklinkenborg@suncor.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The session would have been more helpful if the AESO hadn't introduced new objectives. The objectives are already defined in legislation and so at most non-conflicting secondary objectives could have been developed through stakeholder discussion.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	Suncor supports the approach of having stakeholders present alternatives and recognizes that stakeholders were aware of this opportunity since March. However, in Session 2 the AESO suddenly introduced new, and in Suncor's view inappropriate, design objectives. This is not effective consultation as stakeholders need to consider these new AESO ideas and rework their presentations accordingly in only three weeks.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Suncor does not believe the AESO has done sufficient analysis to conclude that 12-CP is not a reasonable outcome. It is well understood that the further a transmission element is from a customer, the more coincidence factors drive cost causation. While variations of a coincidence factor may be better aligned with cost causation, it is not clear that the current 12-CP would be *unreasonable* for the allocation of bulk transmission costs. Suncor agrees that there is likely a difference between marginal and average cost, however this difference has not been quantified. At this point it is not clear whether the difference is significant enough to warrant drastic changes given the amount of uncertainty always inherent in quantification.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	Bookends are a reasonable tool to estimate a potential range of outcomes if there is uncertainty around a variable but Suncor does not see the proposed bookends as reasonable. In order for bookends to be reasonably used, the problem at hand must be reduced to a variable that is currently not quantified but that can be bracketed. The AESO seemingly proposes the variable to be the percentage of bulk transmission costs recovered through an efficient marginal cost causation charge. This approach does not seem unreasonable. The AESO's bookends nonetheless fail because the 0% cost-causation recovery bookend is misplaced since it assumes 100% recovery based on billing capacity contrary to the objectives. Once bookends are correctly determined, it is important to recognize that the resulting values do not constitute a range among which a desired outcome can be selected or negotiated. Bookends are merely for information purposes; an appropriate value for the variable still has to be determined that best meets the objectives.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	It is important to consider storage from a principled basis; system access service charges should not be conflated with any perceived benefits storage may provide. A separate treatment for storage would be inappropriate and be indicative of broader problems with the tariff design. Storage that is not participating in the market and solely serves a transmission function does not require tariff treatment.

6.	Additional comments	Suncor is concerned about how this consultation is progressing. In the 2020-2021 Plan for ISO Tariff-Related Activities, the AESO asserts that 12-CP causes issues despite that conclusion not having been reached in the current consultation. Further, since the previous session in March the AESO has developed its own objectives and has proposed a narrow set of design options that supposedly meet these objectives. In its presentation the AESO implied that it considered the presented range as exhaustive by providing *bookends*. Finally, in the 2020-2021 Plan for ISO Tariff-Related Activities the AESO lists the Bulk & Regional Tariff Design as in *Development* and not in *Conception* in advance of hearing stakeholder presentation on alternative options. Suncor would appreciate clarification from the AESO that at this point all options are still on the table and that the *bookends* are not intended to limit the consultation.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Bryan Krawchyshyn
Comments From:	TC Energy			**Phone:**	403-585-7903
Date:	2020/10/08			**Email**:	Bryan_krawchyshyn@tcenergy.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	TC Energy appreciates the opportunity to participate in the Bulk and Regional tariff consultation session. While the session was valuable, TC Energy has noted three areas where the AESO could make these sessions more helpful. First, the proposed bookends would have a major rate impact to both "Heavy 12 CP Responders" and "Medium 12-CP Responders", imposing rate increases of 100 – 130% and 20 – 35%, respectively. Considering the magnitude of the impact, TC Energy requests that the AESO provide a bill estimator so that affected ratepayers can better understand the impact that these proposed AESO bookend options would cause. Second, during the consultation session the AESO made many assertions as to whether or not the current state and the proposed bookends met the rate design objectives and their relative distances from the "sweet spot". However, these assertions did not appear to be backed by any analysis. It would be helpful for stakeholders to see the analysis that the AESO conducted to reach their conclusions. Third, the rate design considerations for the Bulk and Regional rate design is separate and distinct from those for the Energy Storage rate design. Further, TC Energy expects that the Energy Storage rate design will be complex in nature. Accordingly, TC Energy recommends that the AESO conduct a separate consultation for Energy Storage to ensure that it receives the consideration it deserves.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	TC Energy asks that the AESO conduct customer-specific sessions for clarification and understanding of the bookend options and the impacts these may have on TC Energy bills. As well, the treatment of Energy Storage should be carved out of these Bulk and Regional sessions and treated as a stand-alone issue.

3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	TC Energy does not support the AESO's perspective that 12-CP is not a reasonable outcome of the tariff design. TC Energy requests that the AESO provide analysis so that stakeholders can understand the rationale driving the need to move away from the 12-CP methodology. It should be noted that, according to the AESO's assessment (see slide 41 from the slide deck), the current approach of 12-CP achieves a closer match to the sweet spot than Bookend Option A. The AESO should avoid introducing additional regulatory uncertainty for consumers without analysis demonstrating the need to move away from 12-CP and the impacts of doing so.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	No. Bookends A and B are not reasonable starting points for the Bulk and Regional Tariff Design. As stated above, the AESO's-own assessment demonstrates that the 12-CP method is closer to the sweet spot than Bookend A. Accordingly, 12-CP should remain a valid option until an understanding via analysis has been provided to determine reasonable starting points for an alternate signal. TC Energy recommends that the AESO demonstrate how it arrived at these bookends and which other bookend options were discarded and why. TC Energy and would also ask the AESO for the analysis it performed to define the size and location of the "sweet spot". Furthermore, TC Energy requests that the AESO provide the analysis performed to demonstrate that the current 12CP methodology does not provide an efficient signal for cost recovery.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	TC Energy agrees that Energy Storage offers unique attributes that are not the same as pure loads or pure generators. As such, TC Energy looks forward to further discussions regarding the uniqueness of energy storage and seeks more clarity regarding the tariff treatment options available within the framework of cost causation. The rate design options considered during the consultation session considered three different rate designs. TC Energy submits that these options need not be mutually exclusive. Rather, they could be contained within the same rate and applied under certain conditions. For example, one option could be for the rate to apply FERC Order 841 Treatment when providing "market services" and apply Interruptible Service when not providing "market services".
6.	Additional comments	No additional comments at this time.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Akira Yamamoto
Comments From:	TransAlta Corporation			**Phone:**	403-267-7304
Date:	2020/10/08			**Email**:	akira_yamamoto@transalta.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	***The stakeholder session was helpful and progressed the discussion of alternatives*** Yes, the session held on September 24, 2020 was helpful and valuable. More specifically, the progress that the AESO has made with respect to developing the book-ends informed stakeholders of how dramatically the tariff may be changed. ***Energy storage should be separate out at its own tariff initiative*** The AESO should seriously consider splitting up the topics of bulk and regional tariff redesign from its consultation on energy storage. As we stated in our comments to the 2020-2021 ISO Tariff-Related Activities Plan comment matrix: > From a practical perspective, we note that there are different stakeholders for bulk and regional and energy storage tariff matters and all stakeholders are forced to attend long sessions when they may only be interested in a small portion of the materials covered. We view this as a driver of stakeholder fatigue as it results in very long sessions where attention is divided by packed agendas of potentially unrelated matters. During the session, most of the day was spent on bulk and regional tariff redesign and this lead to rushing through the discussion on energy storage. The materials in the presentation weren't comprehensively reviewed or discussed in any meaningful manner. We recommend that energy storage tariff be separated out into its own workstream to ensure that topic receives the appropriate level of attention, development, and stakeholder engagement.

2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	***Prioritize and take the time that is necessary for Tariff Modernization so that it provides the right framework for the future*** The Tariff Modernization work is highly condensed given that it seeks to tackle issues that are significantly impactful at challenging time for the economy and is intended to lay out the path to the future. It is hard to believe that issues that have spanned more than half a decade can be resolved through a consultation process that will take place over six months. While we agree that having a target date of March 31, 2021 (for the application to the AUC for bulk and regional rate design) is helpful for planning purposes, we also think that it is important to conduct a meaningful consultation that address current tariff issues in a manner that is comprehensive and create the framework that can enable efficient investment over the next few decades. A consultation that results in piece meal proposals isn't a solution. The challenge of a tariff design that progresses as separate parts is that those parts don't necessarily fit well when put together – this is something that we currently face with respect to the different frameworks for distribution and transmission. Furthermore, the uncertainty created by a tariff design that is constantly in flux is very challenging for market participants. We recommend that Tariff Modernization be treated as a key priority and the timing of the regulatory filing should be viewed as flexible and contingent on achieving a thorough consultation and design.

3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	***The AESO should maintain an open-mind to ensure it maintains objectivity in evaluating alternatives to 12-CP*** TransAlta supports the review of the bulk and regional tariff rate design and we believe that this is best done with an open-mind. In this regard, we are open to considering 12-CP or other alternatives for allocating bulk system costs. It is unnecessary to predetermine that a change is necessary (as is suggested by this question). Frankly, it is concerning that the AESO has already entrenched itself in its perspective. The AESO should maintain greater objectivity so that it can fairly evaluate alternatives to the current design. It should be noted that the AESO proposed maintaining the 12-CP rate design as recently as 2018 in the ISO tariff filing. The AESO's sudden changein perspective from "no changes are proposed" to "a change must be made" in such a short span of time is difficult to reconcile. We have yet to see evidence that confirms that outcomes from any alternative are better, fairer, or more consistent with rate design principles that with 12-CP. In fact, the consultation has only begun to explore what alternatives may look like and have only shown that costs would be allocated differently with the AESO's book-ends. A change should not be pursued for the sake of change but rather on its merits. We do agree that 12-CP does allocates a significant amount of cost through a relatively simple mechanism. We also agree that the 12-CP appears to provide a strong tariff/price signal. We wish to explore whether the current tariff signal incents is truly inefficient and not aligned with reducing costs or future transmission needs given that the transmission system has vastly expanded at a rate that far outstripped load growth. It is a better approach to clearly identify the source(s) of the problem(s) to drive to the appropriate solution(s) rather than to create a solution and try to rationalize it by working backwards.

	Questions	Stakeholder Comments

4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	***The book-ends are a non-coincident and coincident designs. The AESO risks making an decision that will be considered arbitrary if the change is not based on strong evidence of cost causation and/or correlation.*** We believe that the bookends as identified are a non-coincident design or fixed charged approach and a coincident peak design. We could further expand the book-ends to included demand vs energy, coincident demand vs non-coincident demand, and cost-causation drivers vs. benefit receipt factors. We are not convinced that the AESO's specific proposal of regional peak or 120-days is truly the book end; it is merely a variant of many different approaches that can be taken to a coincident peak design. We also think it is important to spend some time seeing how the costs are reclassified between bulk and regional to inter-regional and intra-regional categories as a test if those reclassifications are appropriate from the perspective of cost drivers. It may also be useful to explore whether there are also other approaches to classify transmission investment according to cost drivers. For example, (1) investments that are driven by demand-driven transmission planning, which could be further subcategorized as inter-regional and intra-regional categories, and (2) investment driven by other planning factors like public policy factors (e.g. renewable development and/or critical transmission infrastructure. There is some intuitive appeal to consider using regional peak for intra-regional costs if it is true that these costs are caused and correlated with regional peak system demands. While it may be intuitively simple to assume this is true, if it is revealed that these costs have no correlation with regional peak system demand then we would question whether there is actually any cost causation. As noted in our comments submitted on April 9, 2020, we are concerned using a regional peak model due to the lack of any strong correlations observed in the 2017 and 2018 historical data as well as the lack of any transparency in real-time to regional load information. We also believe that the AESO should clarify how it makes makes planning decision to expand the inter-regional system as this could help to identify the real cost driver to inform the billing determinant that ought to be applied. In our example above, if investments are driven by other planning factors (category 2) then applying a peak demand billing determinant may not be appropriate allocation methodology because they are not really caused by a customer's contribution to peak demand – in such circumstances a non-coincident allocator could be more appropriate. At this point, we appear to be driving toward solutions without the benefit of the analysis described above. The AESO presentation included graphics that showed

		different allocator types and attempted to show where the current state was relative to a “sweet spot”. While, to the AESO, this might “feel right”, we owe it to customers that are exposed to a dramatic increase to their bills that the change to tariff rates is evidenced-based and clearly justified based on concrete analysis. The true sweet spot is adopting a design that has the highly desirable characteristics and few/no undesirable characteristics. In this regard, the dimensions that we ought to measure and compare alternatives on are not bounded by different allocation methodologies but rather to the dimensions of the key ratemaking principles (Bonbright’s principles).

5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	***FERC has laid out how to address unnecessary barriers to entry and provides groundwork for the path forward*** We note that there was little time spent discussing the considerations and objectives relating to energy storage during the stakeholder session. Rather than a discussion of the topics raised in the AESO's materials, the time was spent disagreeing about the language the AESO uses to describe an old University of Calgary study, reviewing the AESO's views about use cases, and hearing dissenting views that there should be any discussion about energy storage treatment. The session made no meaningful progress, which was a disappointing outcome. We view the critical objective to be an exploration of tariff mechanisms that reflect the costs caused by energy storage on transmission system and to remove barriers that may impede the participation in the market. A widely recognized barrier is the lack of interruptible rates for energy resources that have fully controllable load profiles and tariff treatment for energy storage resources that provide market service and can be directed or otherwise effectively controlled by the AESO as dispatchable load or generation resources (the full range of their combined load and generation profile). Fortunately, the AESO has the benefit of FERC's decision. That decision explored the challenges with energy storage participation from markets with more experience with these technologies than Alberta. The barriers to entry and participation are similar between FERC jurisdictions as they are in Alberta (in fact, the challenges in Alberta may be more pronounced than those encountered in capacity market and locational based system designs). We believe that FERC's decision is informative and relevant considerations for Alberta. In this regard, FERC's tariff treatment approach lays out a groundwork of minimum changes that should be considered. Our view is that these approaches do not favour a technology type (fairness in the market design is also a concern for FERC) but rather an acknowledgment of the different characteristics of the technology. Respectfully, we believe that the starting point for the AESO's consultation should be largely considering how to adopt similar FERC treatment in the areas where those align with the Alberta market framework.
6.	Additional comments	No additional comments at this time.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Kipp Horton
Comments From:	Turning Point Generation			**Phone:**	403 233-2259
Date:	Oct 8, 2020			**Email**:	Kipp.horton@windriver.ca

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	Yes, the session was valuable although TPG suggests that the rate design consultations regarding Energy Storage, being a unique asset unlike pure load or pure generators, are more appropriate in a distinct and separate process outside of the broader Bulk and Regional Tariff Design process.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	No, TPG is not supportive of the proposed approach. Energy Storage is a unique asset, unlike pure load or pure generators, and therefore should have a distinct and separate rate design process outside of the broader Bulk and Regional Tariff Design process.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	No, TPG does not support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design. TPG requests that the AESO provide analysis so that stakeholders can understand the rationale driving the need to move away from the 12-CP methodology.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	No, the AESO's bookends A and B are not reasonable starting points since AESO has not provided the analysis to support the rationale driving the need to move away from the 12-CP methodology. 12-CP methodology should remain as a viable outcome unless demonstrated otherwise.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	Yes. This is the first time that stakeholders in Alberta are tasked with contemplating Energy Storage assets within a tariff design process. As such, TPG suggests that a distinct and standalone process is required since energy storage assets are unique. For example, the AESO has recently initiated the Energy Storage Industry Learning Forum (ESILF), of which TPG is a member of, in order "to gather energy storage industry leaders together to discuss key learnings from energy storage integration in other jurisdictions as well as to share their perspectives on energy storage topics to assist the AESO in facilitating the integration of energy storage in Alberta." The ESILF has only just begun and learnings are underway. TPG suggests that a greater level of integration is required between the ESILF and a standalone energy storage tariff treatment consultation.
6.	Additional comments	None. TPG appreciates the opportunity to express its views. Thank you.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Tory Whiteside
Comments From:	URICA Asset Optimization			**Phone:**	403-689-7243
Date:	[2020/10/06]			**Email**:	

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The session was valuable in that is laid out the AESO's new direction for Bulk and Regional Tariff Design and reiterated the intended timelines for the delivery of the new rate. For the most part the session involved participants reverting back to slides 39 and 41 for continued discussion; therefore, it would have been very beneficial if the AESO could have provided rate design analysis, data, and tools to allow participants to digest how the bookend rates would affect them and allow for more informative discussion during the session.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	While URICA understands that the AESO is attempting to move to a predetermined sweet spot for the new tariff design, it appears that the both the timing of the engagement and development of the rate seem rushed especially in light of the negative effects the AESO's initial proposal will have on the industrial customer class in a time when the province is struggling to support and maintain industry in the province. URICA would be supportive of a more iterative process to determine the changes needed and potentially a transitional implementation to move the rate towards a final structure where price response is a universal tariff feature not just for a very small subset of sites in the province.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	URICA does not believe that the AESO has presented thorough analysis or data that show that the value of the status quo 12-CP system is not achieved via the existing rate design. Further to this URICA believes that if this is AESO's perspective, the potential alternatives have not been fleshed out in truly collaborative manner or with the ability for stakeholders to participate – it feels like alternative stakeholder proposals could have been submitted/crafted over the six month hiatus in this engagement or at some other point during the engagement that has been ongoing for two years. At the same time, the proposal the AESO presented in Session 2 is different from the initial advocated rate structure from Session 1 and the background and recent developments in the presentation are not really recent developments – they were always in consideration. URICA would like to better understand what caused the AESO to pivot from the designs initially presented in Session 1 and what other structures were considered when the bookends were created.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modifications and mitigation? Why or why not? Please be as specific as possible.	URICA does not believe that the existing options A and B necessarily represent reasonable bookend starting points – the Venn diagram of the sweet spot cannot rationally achieve minimal disruption or simplicity based on the bookends suggested. URICA is not clear as to how the boundary assessment of the bookends can be rationalized to move to an all “green” sweet spot.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	The reason that this engagement has lagged in the first place is that the AESO attempted to put Capacity Market Allocation and the Bulk and Regional Tariff Design into the same engagement. To this end, URICA believes that the issue of energy tariff treatment is being shoe horned into the Bulk and Regional Tariff engagement – in both sessions to date the energy storage issues have been put at the back end of the session and not afforded enough time for discussion at the stakeholder level. URICA would appreciate the energy storage tariff treatment being provided its own session such that it receives equal footing and discussion.
6.	Additional comments	Overall, the AESO appears to have created a rate that penalizes industrial customers and ignores the systemic issues that the bulk of AESO customers cannot respond to price signals. If the expectation is that the proper rate design will result in increased behaviour to reduce consumption in a manner that helps reduce long term system costs, URICA feels that an ~120 CP system that benefits customers that cannot respond to price signals and handicaps many of those that can respond does not make a lot of sense as first step towards tariff modernization. In general, the proposed rate seems overly complex without assurances that price signal for the avoidance of regional peaks will minimize future transmission costs.

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

Stakeholder Comment Matrix – Sept. 24, 2020

Bulk and Regional Tariff Design Session 2

Period of Comment:	Sept. 24, 2020	through	Oct. 8, 2020	**Contact:**	Richard Stout
Comments From:	UCA			**Phone:**	604 366 4184
Date:	2020:10:08			**Email**:	Roninconsult@live.com

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **Oct. 8, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

	Questions	Stakeholder Comments
1.	Please comment on Session 2 hosted on Sept. 24, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	The session was very useful as a recap of the Bulk and Regional cost causation, cost allocation and related Tariff issues and to provide a clear outline of the AESO's more recent tariff thoughts and an effective process to developing and filing a broadly acceptable tariff in early 2021. There is little that could be done to improve the process.The facilitation of online participant feedback was particularly effective allowing clarifying questions and constructive comments without divergence into positioning arguments.
2.	Are you supportive of the proposed engagement approach for the AESO's Bulk and Regional Tariff Design? Why or why not? Please be as specific as possible.	Yes. In particular the movement away from inappropriate 12CP "needle peak" allocations and towards fixed demands with a commitment to billing mitigation that will avoid undue increases for existing industrial customers. The mitigation commitment allows a better focus on arriving at an ongoing tariff based on useful price signals for future developments with fair allocations of sunk costs.
3.	Do you support the AESO's perspective that 12-CP (status quo) is not a reasonable continued outcome of the Bulk and Regional Tariff Design? Please be as specific as possible.	Yes.The 12CP approach was based on vertically integrated EEMA cost-sharing allocations (mostly generation costs) of almost 40 years ago and was never intended to provide a transmission price signal. The 12CP accidental "signal" has lead to outcomes that are neither efficient nor fair. A replacement is required to address these concerns and to better meet the public interest.

	Questions	Stakeholder Comments
4.	Are the AESO's bookends A and B reasonable starting points for the Bulk and Regional Tariff Design, considering future determination of modificactions and mitigation? Why or why not? Please be as specific as possible.	The bookends are reasonable starting points for the design discussion, bearing in mind that the current bookend of a CP based approach must be replaced as per our preceding comnment. The UCA considers that an acceptable rate that better reflects cost causation and addresses the “broken” price signal problem (once rate impact mitigation concerns are addressed) will tend towards the fixed demand or NCP bookend.
5.	Are their considerations or objectives relating to energy storage tariff treatment that you feel the AESO has missed? If yes, please describe and be as specific as possible. Do you have additional clarifying questions that need to be answered to support your understanding?	No. Energy storage tariff treatment was comprehensively considered by the AESO. Energy storage does not look significantly different to the transmission system than any BTF generation and load combination capable of import and export at different times. The social benefits or value of energy storage are fully captured in the energy market pricing and arbitrage opportunities as discussed.
6.	Additional comments	An excellent restart to the Bulk and Regional Tariff development. Following the discussions on the non-voltage delineation of Bulk versus Regional definitions for tariff design purposes (as distinct from FERC MRS purposes) we would like to see an approach considered that dispenses with the tariff based distinction and uses the same cost allocator for bulk as regional transmission.

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