

Stakeholder Comment Matrix – May 21, 2020

Request for feedback on pricing framework review, session 3 material



Period of Comment: May 22, 2020 through June 5, 2020	Contact: [REDACTED]
Comments From: Utilities Consumer Advocate (UCA)	Phone: [REDACTED]
Date: 2020/06/04	Email: [REDACTED]

The AESO is seeking comments from stakeholders on its approach to reviewing the pricing framework, and content from session 3.

	Questions	Stakeholder Comments
1.	<p>The AESO has presented pricing framework options, and the risks and benefits of each, see below:</p> <ul style="list-style-type: none"> A. Implement improvements to the pricing framework now to incent efficient market response during <u>supply shortage and supply surplus</u> situations B. Implement option A, in future, but <u>delay</u> due to conflicting priorities and external issues that exist today C. <u>Maintain current pricing framework</u>– AESO will continue to monitor the state of the market for signs of loss of system efficiencies <p>Do you believe there other alternatives that should have been considered. If yes, please elaborate.</p>	<p>The UCA understands that any changes in the pricing framework of the energy-only market may increase the uncertainty in the market that may not offset by additional efficiency gains that the AESO results indicated. However, there may be concerns regarding the demand forecast that the AESO's analysis is relying on. Considering all the recent changes in the Alberta market related to the COVID-19 pandemic and drop of oil & gas prices, the AESO needs to redo its short-term/long-term demand forecast and release the details of that study to the participants of this engagement sessions. In this regard, the AESO may also need to reevaluate its modeling results considering any substantial changes in the load growth expectations.</p> <p>The other issue that the AESO should consider for its future evaluation is the predicted higher DERs penetration and emerging technologies into the distribution system. This issue is currently being evaluated on a broad aspect by the AUC and other stakeholders through the Distribution System Inquiry. Any significant policy directions resulted from this inquiry that encourages more self-generation may also impact the energy-only market significantly. In this regard, the AESO may need to include these new assumptions into its analysis and share the new results with the engagement's participants.</p> <p>Regarding the load response analysis, the AESO limited the study only for the transmission-connected load. This assumption excluded a large portion of load responses connected to the distribution system that is able to respond through the tariff structure. For further market evaluation, the AESO may need to collect more comprehensive data in this regard and measure the efficiency gains more precisely, given all the possible load responses.</p>
2.	<p>The AESO's draft recommended approach is Option C above, maintain the current pricing framework. Do you have comments related to this recommendation?</p>	<p>See the comments above.</p>
3.	<p>Do you feel you have been able to adequately participate and provide comments to the AESO through this engagement? If no, please describe your concerns.</p>	<p>Yes.</p>
4.	<p>Do you believe the AESO was effective in the preparation and presentation of the material? If no, please provide suggestions for the improvement of future engagements.</p>	<p>For future analysis and consultations the AESO should share more information regarding all the inputs that are used for its modeling.</p>

	Questions	Stakeholder Comments
5.	Please provide any other comments you have related to the pricing framework engagement.	No comment.

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