

17 April, 2023

AESO Tariff Evolution 2023 Draft Scope of Work and Energy Storage Module

Transmitted electronically at: <https://www.aesoengage.aeso.ca/tariff-evolution-roundtable-world-cafe>

Stakeholder Feedback Questions

Proposed 2023 Tariff Work Plan

1. *Are these the right priorities from a tariff perspective?*

Energy Storage Canada agrees with the priorities from a tariff perspective. As was heard resoundingly at the Tariff Evolution Roundtable and World Café event, tariff reform, specific to energy storage, is critical to allowing investment in energy storage resources in Alberta. This will directly benefit electricity consumers by enabling the lowest cost energy to reach consumers. As evidenced by a study by Energy Storage Canada and the Canadian Renewable Energy Association, even a modest amount of energy storage of 300MW would have benefitted Albertan electricity consumers with a 6% reduction in pool prices valued at \$600M. Additionally, energy storage investment is critical to enabling viable market participant to serve ancillary service markets, such as fast frequency response, which will be critical to responding to the challenges of the recently released *Reliability Requirements Roadmap*.

2. *Are these the right priorities from an overall Industry perspective?*

The industry in Alberta is moving to a renewables focused deployment of generation. While renewables are the lowest cost new generation to be added in Alberta, they will require both resource adequacy and additional ancillary services to enable large scale deployment of investment in the Alberta market. Energy storage is well poised to serve both these purposes, enabling the most efficient and lowest cost electricity to reach Albertan's.

3. *Were any tariff-related priorities, initiatives, or projects missed?*

Energy Storage Canada believes the tariff priorities as stated are acceptable and none were missed.

4. *Is the sequencing of priorities (i.e., the Gantt chart) appropriate?*

Energy Storage Canada agrees with the priority sequencing but urges the AESO to be as prompt as possible so as to meet the proposed schedule for implementation of a energy storage specific tariff solution.

Energy Storage Tariff Module Scope of Work

1. *Are the objectives of the engagement appropriate and clearly defined?*

Energy Storage Canada understands the objectives of the engagement to be narrowly focused on the tariff structure that applies to energy storage resources and agrees with the narrow focus. ESC appreciates the use of the language “general agreement” as opposed to “consensus,” as well as the emphasis on a proposal with likelihood of a speedy AUC approval.

Additionally, as advocated by some attendees of the April 12th Q&A on the Energy Storage Module Scope of Work, other benefits energy storage resources provide, such as through ancillary service markets, may be out of scope for the proposed working group. ESC agrees but it should be recognized that the numerous benefits a vibrant energy storage ecosystem provides for the Alberta electricity system underpin the urgency to implement an equitable tariff structure for energy storage resources.

2. *Are the proposed steps, timelines, and stakeholder involvement appropriate? If not, what changes would you propose?*

ESC believes the proposed timeline is appropriate but emphasizes that prompt movement is needed to meet the proposed timeline of mid 2024 implementation. As mentioned above, energy storage resources have numerous benefits to offer the electricity system and electricity consumers in Alberta and thus the implementation of an equitable tariff structure for energy storage resources is needed as soon as possible.

3. *How can the proposed process be made more efficient and/or more transparent?*

ESC believes that the process as defined is generally sufficiently efficient and transparent. Given that the engagement of various parties will be critical for success and the high capacity demanded of the working group, ESC supports allowing member organizations of the Energy Storage Module to have alternates attend meetings during times when the primary member representative cannot attend.

4. *How should the process address differences of opinion if/when agreement cannot be reached?*

ESC agrees with the principle of consensus/agreement but believes that in times of disagreement a simple majority vote may be allowed with the quantity and rationale of both the winning and dissenting sides of the vote being documented.

5. *Are the initial questions and scope of work the AESO has described appropriate? If not how should they be modified?*

ESC agrees with the initial questions in the scope of work.

6. *I would like to be considered for membership in the working group for the following category:*

- Energy storage proponents and developer representatives
- ~~Load representatives~~
- ~~Other representatives including generation owners/developers, TFO/DFO~~

7. *What advance work can the AESO or stakeholders undertake before the working group sessions begin?*

No comment.