

Stakeholder Comment Matrix – August 1, 2023

Market Pathways | Market Pathways Primer Initial Written Consultation



Comment period:	August 1, 2023 – September 5, 2023	Contact:	Robert Tremblay
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Date:	2023/09/05		

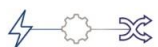
Instructions

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. Stakeholder comment matrices will be published on aeso.ca, in their original state.
4. Please upload one completed comment matrix per organization.
5. To upload your completed comment matrix:
 - i. You will need to be registered and signed in on the AESO Engage platform
 - ii. You will need to be on the Market Pathways page (<https://www.aesoengage.aeso.ca/market-pathways>) which can be found on the AESO website at www.aeso.ca and follow the path: AESO Engage > Market Pathways > Stakeholder Feedback > Request for Feedback | Market Pathways Primer Aug. 1-Sept. 5, 2023
 - iii. Please click on the "Complete Stakeholder Feedback" box to upload your completed comment matrix

Request for Feedback

The *Market Pathways Primer* (Primer) is intended to provide information to stakeholders on the system/market issues and priorities identified to date by the AESO, as well as on the AESO's proposed Market Pathways process and engagement approach. The AESO is requesting stakeholder feedback on these key pieces to set the foundation for and to inform the Market Pathways initiative going forward. An industry session is being planned for fall 2023 to review stakeholder feedback on the Primer, to address outstanding questions, and to work toward finalizing the list of issues and the engagement plan. The AESO values stakeholder feedback and invites all interested stakeholders to provide their comments on the following questions. Please be as specific as possible with your responses.

Thank you in advance for your time and for your contribution to Market Pathways and the collective work that needs to be done to meet the future needs of Alberta's electricity system.



	Questions	Stakeholder Comments
1	<p>Proposed purpose and guiding principles</p> <p>To ensure a common understanding and alignment of the intent of the Market Pathways initiative, the AESO is interested in understanding if stakeholders have input on the purpose and guiding principles as described by the AESO.</p>	
	<p>a. Do you believe the proposed purpose of the Market Pathways initiative as described is appropriate to address key market challenges? If not, please explain how you believe it should be revised.</p>	<p>ESC agrees with the purpose of the Market Pathways, We further submit that energy storage is poised to mitigate many of the challenges identified in the Market Pathways Primer and must be top of mind throughout the Market Pathways process.</p>
	<p>b. Do you believe the proposed guiding principles for evaluating solutions as described are appropriate? If not, please explain how you believe they should be revised.</p>	<p>ESC generally agrees with the guiding principles. As above, as energy storage resources are very likely to meet a significant amount of the challenges identified in the Market Pathways Primer, it is critical that the guiding principles allow for equitable treatment for energy storage so that it may contribute as much as possible.</p>
2	<p>Proposed issues and priorities</p> <p>To ensure the scope of the Market Pathways initiative is holistic, the AESO is interested in understanding if stakeholders see additional issues beyond those listed in the Primer, as well as whether stakeholders have additional input on the urgency and the priorities as described by the AESO.</p>	
	<p>a. Do you have any input on the AESO's understanding of the urgency and the priorities as listed in the Primer?</p>	<p>Not at this time. ESC agrees with the urgency identified and looks forward to collaborating with other stakeholders and the AESO to work towards solutions.</p>
	<p>b. Are there additional issues that you believe need to be considered? If so, please explain why it is an issue and provide evidence to support (e.g., What attributes/elements are missing and not currently being fulfilled in the market?)</p>	<p>ESC believes that congestion should be examined as part of the Market Pathways process. Energy storage resources have a significant role to play in congestion mitigation and market mechanisms are a possible path towards mitigating congestion.</p> <p>Additionally, a related aspect to congestion is the flexibility and responsiveness of AESO system planning to match load and generation. Congestion is to some extent a reflection of a slow planning process as well as a lack of short-development-time options to expand system to meet new load and generation. Energy storage can represent a means of nimble system expansion, especially in</p>

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		<p>areas of intermittent system use driven by intermittent load or generation. The responsiveness and foresight of system planning should be investigated, as well as what market and planning tools can be used to increase the responsiveness of system planning.</p>
	<p>c. Please provide suggestions on how the AESO can explore options with stakeholders to address the reliability issues identified that are outside Alberta's existing policy framework.</p>	<p>As outlined at the Stakeholder Symposium, issues investigated through the Market Pathways process will have solutions that are possible both inside and outside the current regulatory framework. Both streams of solutions should be contemplated. This is especially the case as the Premier has tasked the Minister of Affordability and Utilities with <i>“Reviewing the operations, policies, and mission of your agencies, including the Alberta Utilities Commission and the Alberta Electric System Operator, and recommending ways to improve their operations and align its mission with the government's goal of a carbon-neutral, reliable, and affordable power grid by 2050.”</i></p> <p>As the working group(s) are investigating issues, they should focus on solutions both inside and outside the current regulatory structure, with the AESO and/or facilitator documenting possible recommended changes to Alberta's electricity regulations for eventual synthesis and presentation.</p>
<p>3</p>	<p>Proposed Market Pathways Process</p> <p>To ensure the purpose and objective of the Market Pathways initiative are obtained through a robust, effective and expeditious process the AESO is interested in understanding if stakeholders have input on the proposed Market Pathways process.</p>	
	<p>a. Do you believe the phases identified in Figure 4: Market Pathways Recommendation High-Level Plan and their scopes are appropriate?</p>	<p>ESC agrees in general with the outline in Figure 4, however the potential for regulatory change may significantly disrupt the schedule as presented. Multiple tracks for proposals along the workflow in Figure 4 will likely be necessary.</p>
	<p>b. Do you believe the phases identified in the timeline (Figure 4) are sequenced appropriately?</p>	<p>In general yes, but there will likely be some iteration between some of the phases.</p>
<p>4</p>	<p>Proposed Engagement Approach</p>	

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<p>The AESO is interested in understanding how you as a stakeholder would like to engage during the Market Pathways process. In the Primer, preliminary thoughts on the development and design of working group(s) with broader stakeholder touchpoints are proposed. Please provide your feedback on the AESO's proposed engagement approach.</p>	
<p>a. Please explain how you would like to be engaged during the Market Pathways initiative, including details on what you believe an effective, efficient and collaborative engagement approach would entail.</p>	<p>ESC is ready to contribute as a member one of more of the Working Groups, if selected. We will interests and concerns of energy storage resources as we go through this collaborative process of market reform in Alberta. As energy storage stands to contribute to mitigation of the vast majority of concerns listed in the Market Pathways Primer, Energy Storage Canada should be involved.</p>
<p>b. Please provide suggestions on how you envision working group sessions could be organized to be as effective and efficient as possible. This could include everything from how often meetings should be held, what representation at the meetings could look like, whether to have separate groups/sessions to discuss the different domains or a single working group (e.g., by issue: energy supply, frequency stability, system strength, flexibility; by time domain: short-term, long-term, etc.), parallel streams in session, etc.</p>	<p>Energy Storage Canada could be supportive of multiple structures of working group organization.</p> <p>One possible structure is a single, larger, more intensive working group meant to handle all streams of evolution and reform. Challenges for this structure will be legitimacy with a logistically necessary smaller number positions on the working group out of total number stakeholders. If a single working group is chosen, we believe the AESO should focus on associations and groups of stakeholders filling the individual slots on the workgroup so that these association and groups can aggregate the maximum amount of stakeholder input into the working group.</p> <p>Another possibility is multiple working groups focused on different aspects of market reform. In the event that multiple groups are formed, ESC believes that each of the below should have it's own group. A challenge in this approach will be communication and coordination between the different groups, especially at intersection of material between the working groups.</p> <ul style="list-style-type: none"> • Ancillary Services and Market-Based Solutions • Tariff and System Cost Allocation • System Planning

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		<p>A hybrid approach may also be possible where a main working group is formed, with subcommittee style smaller working groups also formed to focus on aspects of market reform. The subcommittees could incorporate standalone members, in addition to members from the main group, who may not have the capacity to participate in the main working group or may only have an stake or interest in the specific material of the subcommittee.</p> <p>Of the three options presented Energy Storage Canada prefers the first or third but is happy to participate in any of the three or other structures.</p>
	<p>c. The AESO would like the working group sessions to be as equitable as possible. Do you have any comments on potential workgroup(s) composition and the possibility of an application process for workgroup(s) selection?</p>	<p>ESC supports as open and accessible an application process as possible. We believe multiple working groups may be suited to different.</p> <p>Especially if a single working group is utilized, the AESO should ensure that as many stakeholders as possible have access to the working group through the use of associations and stakeholder groups.</p>
	<p>d. Please indicate whether your organization/ association would like to be actively involved in working group sessions.</p>	<p>Energy Storage Canada would like to be actively involved in the working group sessions.</p>
	<p>e. Please explain what stakeholder role and the level of commitment your organization/association would be willing to play in working group sessions (e.g., an active role in performing analysis, developing potential options/solutions, etc.).</p>	<p>Energy Storage Canada is able to contribute to the development of new solutions, aggregate and represent energy storage stakeholder input, and if required assist in analysis.</p>
	<p>f. Please indicate your organization's thoughts on having a stakeholder group representative attend working group sessions on behalf of others, who would then be responsible to report back up to those they represent and the larger stakeholder group.</p>	<p>Energy Storage Canada is supportive of representatives of organizations or groups of organizations. As a trade association Energy Storage Canada already plays this role in the Energy Storage Tariff Working Group and is happy to continue to play this role as well as work with other acting similarly.</p>

	Questions	Stakeholder Comments
5	Additional Feedback and Comments	
	a. Do you have any additional feedback you would like to provide on the Market Pathways Primer?	

Thank you for your input.