

2021 Long-term Outlook Scenarios – December, 2020

2021 Long-term Outlook Stakeholder Feedback



Period of Comment: December 15, 2020 through January 15, 2021
Comments From: Energy Storage Canada
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Keeping with the mandate of providing safe, reliable and economic operation of the Alberta electricity system while facilitating a fair, efficient and competitive market for electricity, the AESO is developing the 2021 Long-term Outlook (LTO).

Given the challenges faced as a result of the COVID-19 pandemic and the low oil price, feedback provided to the AESO will be an important input into how we forecast Alberta's the near to long-term electricity. The AESO will use scenarios as a means of stress testing various market, technological, consumer behaviour, policy and economic outcomes, to assist stakeholders in understanding potential long-term future outcomes in the Alberta electricity market.

Please fill email your completed questionnaire to forecast@aeso.ca by January 15, 2021.

We value stakeholder input and thank you for sharing your perspective. In alignment with our Stakeholder Engagement Framework ([link](#)) all stakeholder submissions, in their original state with personal information redacted, will be published online at www.aeso.ca

Further stakeholder engagement on LTO scenarios and preliminary results can be expected as the AESO makes progress toward the anticipated publication date in Q2 of 2021.

Preliminary results will be based in part from stakeholder feedback received in June 2020.

The AESO thanks you for your time and appreciates your input.

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

	Questions	Stakeholder Comments
1.	Do the proposed LTO scenarios cover a reasonable range of plausible future outcomes? Which scenario do you think is more likely? Which one is less likely?	Yes, the LTO scenarios cover a reasonable range of plausible future outcomes. The Clean-Tech scenario appears most likely due to federal government policy announcements, prolonged low oil prices and continued drop in renewable energy costs.
2.	Does the “Clean-Tech” scenario focus on the appropriate technologies and policies?	Yes, it is clear from recent announcements that corporate PPAs for renewables are growing rapidly. The amount of energy storage is understated. To integrate all of the variable renewable energy resources, more energy storage resources will be required. In addition, energy storage can offer services directly to customers requiring higher than average power quality more cost-effective than large electricity system expansions.
3.	Are there different scenarios that warrant inclusion?	Changes to the components of the three scenarios are more appropriate than a new different scenario.
4.	What long-term hydrocarbon demand projections do you think are reasonable for the Robust and Stagnant Global Oil & Gas Demand scenarios?	No opinion.
5.	Are there additional generation technologies that warrant inclusion in the 2021 Long Term Outlook Scenarios?	Large imports from neighbouring jurisdictions (e.g., Site C) may be prudent to consider in the 2021 LTO.
6.	Do you disagree with any of the assumptions in Slide 4 for any of the scenarios? If so, what would you propose?	Yes, under the robust global Oil and Gas demand, there may be a potential for the electricity sector to become less emissions intensive (i.e., increased use of renewables and storage) to offset emissions from new oil & gas development. Higher electricity demand in the robust global oil & gas demand will offer more opportunities for low-cost renewables and storage to meet customer electricity needs.

7.	The AESO has not yet determined the quantum of change in the scenario variables. Do you agree directionally with the scenario assumptions? Do you have insights regarding the magnitude of scenario changes?	ESC believes that there is more potential for growth in energy storage over the next 20 years, especially with the need for firming capacity if renewable corporate PPAs grow as expected.
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