

# Proposed New ISO Rules Section 203.6 “Available Transfer Capability and Transfer Path Management” and “Package 7” ISO Rules Definitions Stakeholder Information Session

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# Agenda

1. Introductions
2. Purpose
3. Recap of first round of consultation
4. Summary of changes made in version 2
  1. Reorganization of rule
  2. Enhanced clarity on restatement and AOR provisions
  3. Various minor changes aimed at increasing clarity
  4. Definition changes
  5. Inclusion of provisions from OPP 309
  6. T-70 min ATC allocation examples
5. Next steps

# Purpose of today's session

- Walk through proposed changes to new ATC rule (New ISO Rules Section 203.6 Changes Version 2.0) to aid stakeholder preparation of comment response matrices.
- Provide timeline of next steps.
- While best efforts were made to ensure accuracy, in case of disagreement between these slides and rule language, rule language will prevail.

- Immediate focus on ATC allocation as third tie line under construction will result in need to allocate limited ATC amongst multiple interties
- Rule intended to integrate relevant “300 Series” OPPs and Rule 6.3.3 under TOAD format
- Intertie Framework Recommendation Paper posted October 7, 2010
- ATC Letter and Term Sheet posted December 16, 2010
- Letters of Notice posted on March 17, 2011 for consultation on:
  - Proposed New ISO Rules Section 203.6, removal of relevant OPPs and Rules Subsection, and “Package 7” definitions
  - Comments received April 15, 2011 and posted May 5, 2011
  - AESO replies posted July 26, 2011

# Summary of Feedback on Rule Version 1.0

- ATC should be allocated via alternative methods (auction, LIFO, fixed order, locational prices at border)
  - AESO Reply: AESO believes proposed method is most consistent with legislation and policy including:
    - No transmission rights
    - Single price for energy transacted
    - Treatment, where possible, of imports/exports like generators/loads
    - Treatment of internal congestion via TCM rule
- 15 min curtailment increases participant uncertainty and costs
  - AESO Reply: Earlier posting of ATC allocation between lines is proposed to increase certainty and consider rights in adjacent regions

- Curtailment order should be changed
  - A/S should not be curtailed first
    - AESO Reply – A/S first consistent with TCM
  - System – AC lines – individual line order should be reversed
    - AESO Reply – Agree that a reversed order is more efficient in most cases
- Various concerns regarding location of provisions within overall ISO Rules, definition or application of AOR, restatement requirements, references to dynamic scheduling, consistency of definitions with NERC definitions, etc.
  - AESO Reply – In general, the AESO has re-ordered and re-drafted the rule language in an attempt to increase clarity regarding requirements

- **Rule has been reorganized** in an attempt to enhance clarity
  - Logical categories representing energy offer, e-tag submissions, e-tag validation, creation of schedule and dispatches
- **Restatement and AOR related provisions** have been enhanced to increase clarity (subsections 5 and 6)
  - “Reasonable efforts” further defined to include determining whether transmission is available and, if so, submitting a request to procure

- **Various items were clarified**
  - ARS standards explicitly referenced where appropriate
  - References to dynamic scheduling removed
  - Test for source BA carrying reserves on imports moved to e-tag validation
- **Definitions** were reviewed and amended to more closely resemble NERC definitions
- **Provisions of OPP 309** “Saskatchewan Inadvertent Energy Management” now included in rule. Identified as part of TOAD project.

# ATC Allocation at T-70 min

- To increase information available to market participants and allow adjacent Transmission Providers the ability to curtail according to their Tariff.
- Based on import and export energy offers received at T-120 min
- Allocation conducted at T-70 to align with existing information exchange with BC and allow longer time for transactions to be restated.
- Allocation is conducted if net energy offers indicate a capability limit will be violated.
- End result of process is an allocation of ATC between transfer paths, NOT to individual transactions.

## Example Capability Limits – Illustrative Only

Transfer Path or Grouping	Import Capability Limit (MW)	Export Capability Limit (MW)
B.C. Intertie	600	600
MATL	300	300
Saskatchewan Intertie	150	150
B.C./MATL Combined	600	600
Alberta Interchange (B.C./MATL/Sask Combined)	725	600

# ATC Allocation – Example 1

## Energy Offers at T-2

Assessment as per 10(1) – **All capability limits violated.**

B.C. Intertie			MATL			Saskatchewan Intertie		
Import	Export	Net	Import	Export	Net	Import	Export	Net
1,000	200	800 (Import)	450	0	450 (Import)	200	0	200 (Import)

B.C./MATL Combined			Alberta Interchange		
Import	Export	Net	Import	Export	Net
1,450	200	1,250 (Import)	1,650	200	1,450 (Import)

# Example 1 – Cont'd

As per 10(2)(a) – Net volumes compared to individual path limits and allocation set to these if violated.

Resulting Allocation:

B.C.	600 MW (Import)
MATL	300 MW (Import)
Saskatchewan	150 MW (Import)

As per 10(2)(b) and (c) – Combined B.C./MATL volumes compared to that path limit. **Limit is violated so further allocation is required to bring total to 600 MW.**

# Example 1 – Cont'd

Formula for reduction is:

*Allocation resulting from 10(2)(a), divided by sum from 10(2)(b), multiplied by amount by which the combined limit is exceeded.*

For B.C. =  $600 / 900 \times 300 = 200$

For MATL =  $300 / 900 \times 300 = 100$

Resulting allocation after this step is:

B.C.	400 MW (Import)
MATL	200 MW (Import)
Saskatchewan	150 MW (Import)

As per 10(2)(d) and (e) – All volumes combined compared to system path limit. **Limit is violated so further allocation is required to bring total to 725 MW.**

# Example 1 – Cont'd

Formula for reduction is:

*Allocation resulting from 10(2)(a) or 10(2)(c), divided by sum from 10(2)(d), multiplied by amount by which the combined limit is exceeded.*

$$\text{For B.C.} = 400 / 750 \times 25 = 13$$

$$\text{For MATL} = 200 / 750 \times 25 = 7$$

$$\text{For Sask} = 150 / 750 \times 25 = 5$$

Resulting allocation after this step is:

B.C.	387 MW (Import)
MATL	193 MW (Import)
Saskatchewan	145 MW (Import)

If interchange transactions were implemented as allocated, all individual transfer paths and relevant combinations would be within capability limits.

These allocations would be used, if necessary, in the subsection 11 curtailment procedures.

# Example 1 – After the Allocation

- Market participants who offered at T-2 expected to attempt to obtain transmission – if unable, then submit a restatement and likely an AOR (see section 5(2)).
- Adjacent transmission providers expected to curtail to allocation level. If e-tag volumes received exceed allocation at T-15, AESO will curtail to allocation level.
- If individual lines are derated further – AESO will not reallocate but will just curtail. Expected to be a rare occurrence.
- If combined limits decrease, AESO will not reallocate. Will implement subsection 11 curtailment procedures.
- If individual line or combined limits increase, AESO will not reallocate but may not curtail to initial allocation.

# ATC Allocation – Example 2 Wheelthrough

## Energy Offers at T-2

Assessment as per 10(1) – **Combined capability limits violated. MATL wheelthrough identified and excluded as per 10(1)(b).**

B.C. Intertie			MATL			Saskatchewan Intertie		
Import	Export	Net	Import	Export	Net	Import	Export	Net
800	200	600 (Import)	200	0	200 (Import)	0	0	0

B.C./MATL Combined			Alberta Interchange		
Import	Export	Net	Import	Export	Net
1,000	200	800 (Import)	1,000	200	800 (Import)

# Example 2 – Cont'd

As per 10(2)(a) – Net volumes compared to individual path limits and allocation set to these if violated, otherwise set to offer.

Resulting Allocation:

B.C.	600 MW (Import)
MATL	200 MW (Import)
Saskatchewan	0 MW

As per 10(2)(b) and (c) – Combined B.C./MATL volumes compared to that path limit. **Limit is violated so further allocation is required to bring total to 600 MW.**

# Example 2 – Cont'd

As a wheelthrough transaction from Montana has been identified, these volumes will be excluded from the allocation calculations. After adjusting for the wheelthrough, the allocation in accordance with 10(2)(c)(ii) will proceed as follows: :

*Allocation resulting from 10(2)(a), divided by sum from 10(2)(b), multiplied by amount by which the combined limit is exceeded.*

$$\text{For B.C.} = 600 / (800 - 200 \text{ wheelthrough}) \times 200 = 200$$

$$\text{For MATL} = (200 - 200 \text{ wheelthrough}) / (800 - 200 \text{ wheelthrough}) \times 200 = 0$$

Resulting allocation (and end of process) after this step is:

B.C.	400 MW (Import)
MATL	200 MW (Import)
Saskatchewan	0 MW

- Consultation is following AUC Rule 017
- Comment Matrices due October 17, 2011
- AESO will then post stakeholder comments and, at a later date, replies.
- AESO goal is to file rule with AUC by end of November or in January 2012.
- Intention is for rule to become effective when MATL energizes – currently projected for mid-2012.
- Questions? [Kevin.Dawson@aeso.ca](mailto:Kevin.Dawson@aeso.ca) or 403-539-2623