



Rule 6.6 Review Update



January 15, 2009

1. Introduction

On October 30, 2008 the AESO published its “AESO Recommendation Paper – Rule 6.6 Review” (“Paper”) which included recommendations for revisions to dispatch compliance Rule 6.6 (“Rule”). In that paper the AESO set out eight recommendations for changes to the rule and asked for comments from stakeholders. The recommendations addressed:

1. Responsibility for compliance with the Rule,
2. ± 5 MW allowable dispatch variance,
3. Ramping and communication times
4. Allowance for operational deviations from dispatch level
5. Preparation for provision of Operating Reserves
6. Allowance for governor action due to frequency excursions
7. Operation below minimum stable generation
8. Small offer block compliance

The AESO received comments from nine parties. The AESO’s responses to these comments can be accessed by clicking [here](#) or by visiting our website at www.aeso.ca and then following the links Market > Market Policy Implementation > Rule 6.6 Review.

Based on the comments received and further analysis the AESO is proposing revisions to some of the recommendations set out in the Paper and these are outlined in section 2 below. Click [here](#) to access a comment matrix to use to submit comments on the revised recommendations. The AESO would appreciate comments on these new recommendations by February 2, 2009. Please email your completed comment matrix to doug.simpson@aeso.ca.

Should you have any questions regarding the paper, please contact Doug Simpson at 403 539-2494.

2. Revised Recommendations

It should be noted that not all of the revised recommendations are reflected in the comment-response matrix. The responses are intended to reflect the rationale supporting the original recommendation. The revised recommendations were developed after considering and replying to the comments from stakeholders and reflect our current point of view.

2.1 Deviation from dispatch instruction.

As stated in the Paper intentional deviation from dispatch levels as well as deviations as a result of a lack of due diligence must be discouraged. Furthermore, there should be zero tolerance for gaming or intentional deviation and participants should ensure their generating assets are operated with regard to good electrical operating practices.

The rule will be revised to take into account generating unit capabilities and will set reasonable times for response to dispatches while at the same time allowing for auditing

of dispatch responses. As the intent is for generating assets to adhere to dispatch levels and not to tolerance levels, the audits will look for dispatch deviation and pool price correlation, synchronization to the grid, purposely issuing an instruction to generate at a level different than the dispatch level or other indicators that might suggest intentional deviation.

2.2 Revisions to the original recommendations.

In the table below we compare the original recommendation set out in the Paper to the revised recommendation developed through further analysis after considering stakeholder feedback. The intent is to offer stakeholders a clear indication of the recommendations to be developed into rules and provide an explanation for the revisions.

October 30 Recommendation	Revised Recommendation
Pool participants are responsible for compliance with the ISO Rules	No change
Allowable dispatch variance be defined as the greater of ± 5 MW or 2.5% of the assets Maximum Capability up to a maximum of 10 MW for a generator that has reached its dispatch level	The AESO has considered the feedback received from stakeholders with respect to normal deviations from dispatch level due to operational reasons and the intent behind the allowable dispatch variance. The AESO considers that both of these issues can be appropriately addressed by monitoring compliance based on the 10 minute integrated average output. Stakeholders had suggested a 20 minute rolling average of the output, however, the 10 minute integrated average is technologically simpler and just as effective. This approach will allow for normal, short term operational variations from the dispatch level without the need for restatements or phone calls. The timeframe is short enough to discourage intentional gaming behaviour. The AESO recommends that steady state dispatch compliance be based on the unit integrated average MW output for each clock 10 minute period.
Participants given seven minutes to start ramping and then must ramp at their indicated ramp rate $\pm 40\%$	No specific alternatives were submitted for the proposed ramp recommendation but several issues were raised. After further analysis of historic delay times and consideration of participant feedback, the AESO recommends that the maximum delay time to start ramping be increased to 10 minutes and that participants

	submit a ramp profile for each of their generating assets to be used in monitoring. The ramp profile will allow participants to account for different ramp rates at various output levels, e.g., starting or stopping a mill on a coal unit.
The Rule should allow for normal fluctuations in output from generating units	This recommendation will remain unchanged, however, it is the AESO's view that most of the concerns expressed here will be dealt with by monitoring compliance based on the integrated 10 minute unit output.
Preparation to provide Operating Reserves must be considered.	No change
There must be allowance for governor action during frequency excursions.	No change
The Rule must recognize the operational challenges when ramping between 0 MW and minimum stable output.	No change
Participants must comply with small offer block volumes	This issue will not be addressed directly. Rather, as noted in section 2.1 above, there will be no tolerance for gaming including not responding to dispatches of small offer blocks.

3. Next Steps

The steps listed below may be modified to coordinate with AUC proceeding timelines.

January 15, 2009 – publish new recommendations and response matrix

Week of January 26, 2009 – stakeholder session

March 5, 2009 – publish draft rule for stakeholder consultation

April 3, 2009 – comments due on draft rule

April 30, 2009 – submitted to the ERC for filing with the AUC

AUC process

Implementation including modification of compliance tools to fit revised Rule