

Stakeholder Comment Form

TCM: Rule 9.4 AUC Re-Filing Proposal Paper

Date of Request for Comment: December 3, 2009
 Period of Consultation: December 3, 2009- January 15, 2010

Stakeholder: ATCO Power

Section of Paper	Description	Stakeholder Comments
1 Executive Summary	An overview of the key discussion points and proposals contained in the paper.	<p>The AESO Discussion Paper on Rule 9.4 reads more like a notification paper than a consultation document. It has no discussion of principles (both planning and operating) and no objectives (i.e. minimize disruption). A lack of discussion related to principles in the operational phase (real time) of transmission constraint management should not prejudice any future discussion on the rules or business practices for transmission constraint management in the planning phase.</p> <p>Our high level concerns with the proposed rule remain:</p> <ul style="list-style-type: none"> • Pool price is being unnecessarily distorted; • DDS in its current form does not work; and • The proposed rule will cause market distortions. <p>Transmission constraint management procedures need to be robust enough that the market will not need to be suspended. Market suspension due to transmission constraints is unacceptable as a solution to congestion.</p> <p>We believe the AUC Decision on Rule 9.4 was permissive on many of its findings. This affords the AESO the opportunity to find a more optimal solution to real time constraints.</p>
2 Introduction	A brief history of Quick Hits	The AESO Discussion Paper on RAS is not a comprehensive picture of

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	rule development and reason for the paper.	the planning stage. It also contains no principles. The two documents do not provide participants with a clear indication of how the AESO will manage congestion.
4 Background	A brief history of TCM Rule 9.4 development and reason for the paper.	All constraints ultimately occur in real time. Therefore, the AESO needs to consider the planning phase in order to have system controller procedures that appropriately manage all the constraints that arise in real time whether they are foreseen or unforeseen.
5 Recap of Commission Findings in the TCM Decision	A review Commission FEOC and public interest findings.	
4.1 i) Economic Dispatch	AESO use of merit order for dispatch is discussed.	Just because congestion is foreseen does not change that it is congestion. The operating policies and procedures (OPPs) contain many instances of congestion that are not infrequent and not of a short duration.
4.1 ii) Pool Price Impact	Transmission constraint impact on market is discussed	The AESO should strive to minimize the disruption of market prices. We're concerned the AESO has not minimized the impact to pool prices and find the alternative of market suspension as a fall back mechanism unacceptable.
4.1 iii) Compensation	A review of the requirement for compensation for being constrained down	ATCO Power acknowledges the AUC decision does not require the AESO to provide compensation. The decision also does not preclude compensation. ATCO Power supports DDS compensation because it results in voluntary action. Reliance on involuntary command and control will distort the market and exacerbate congestion and the potential that the AESO will initiate market suspension. The AESO should consider compensation because it can work.
4.1 iv) Transmission "rights"	Generator's "right" to access the AIES is discussed	The AESO should consider constrained down payments.
4.1 v) Use of TMR/DDS	AESO use of TMR/DDS is	

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	discussed.	
4.2 i) Long term investment impact	TCM impact on long term investment decisions is reviewed.	There is a big difference between bulk and local congestion. We are concerned with local congestion. Any constraint in a local system could be in place for a long period of time until facilities are built and the situation is corrected. This will have an impact on investment.
4.2 ii) Use of business practices	AESO use of business practices for constraint management is discussed	We want adequate consultation that is principled and transparent.
5 Discussion of Commission Directions in the TCM Decision	This section introduces the discussion of and the AESO proposals regarding each of the Commission directions.	
5.1 Clarify the Scope of the TCM Rule	A proposal on whether the TCM rule should be limited to real time or expanded to include planning stage elements is presented.	Principles need to be aligned. If planning principles are not discussed during the operational phase (real time), it should be done for the planning phase and nothing should be prejudiced by rules that were approached without principles.
5.2 Clarify the TCM/TMR Rule relationship	A review of how the AESO would move from the use of the TCM Rule to the use of TMR is presented.	
5.3 Consider ENMAX Pay as Bid Approach	The merit of using the ENMAX pay as bid proposal within the TCM protocol is discussed	Aggravates market power concerns and distorts price in constrained market situations.
5.4 Define Key TCM Rule Terms	A proposal regarding specific TCM rule key terms is presented	
5.5 Clarify TCM Rule Process Steps	Specific TCM rule process steps are discussed together with proposals to provide additional clarity where appropriate.	
6 Next Steps	Stakeholder feedback on the	ATCO Power would appreciate the AESO providing the information

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	TCM paper discussion and proposals is requested.	document or flowchart that outlines the AESO's comprehensive approach to TCM in the planning stage and in real time.