

# Fair, Efficient and Open Competition Regulation – AESO Implementation Market Participant Workshop

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August 28, 2009

Reliable **Power**

Reliable **Markets**

Reliable **People**



# Workshop Objectives



- Present an overview and clarification of the AESO's implementation plans for the Fair, Efficient and Open Competition (FEOC) Regulation
- Offer attendees the opportunity to discuss implementation plans

# New FEOC Regulation



- The Regulation addresses 4 key areas:
  1. Conduct not supporting fair, efficient and open competition
  2. Preferential sharing of records that are not available to the public
  3. Restrictions on trading using outage records that are not available to the public
  4. Market share offer control
- Effective date is September 1, 2009

# Conduct Not Supporting FEOC

- Identifies specific prohibited conduct by participants that does not support the operation of a “fair, efficient and openly competitive” (FEOC) market
- Examples:
  - Providing misleading records to the market or to any other person
  - Misrepresenting the financial condition of the market participant to the market or to any other person
  - Disrupting or impairing the safety or reliability of the interconnected electric system

## AESO Actions

- New or Revised ISO Rules:
  - Removal of ISO rule 1.10 – Market Participant Behavior Guidelines
  - Stakeholder consultation – no comments received
  - Rule revision will be filed with the Alberta Utilities Commission (AUC)
- AESO IT Upgrades:
  - None

## **AESO Actions (cont'd)**

- New or Revised AESO Obligations for Market Participants:
  - The requirements of ISO rule 1.10 will be removed
- New or Revised AESO Templates:
  - None

# Preferential Sharing of Records Not Available To The Public



- Market participants will be required to seek approval from the AUC for certain information sharing arrangements:
  - “Past, current or future price and quantity offer made to the power pool or for the provision of ancillary services”
- Certain information may be shared with:
  - AESO, Market Surveillance Administrator (MSA), market participant affiliates, brokers, financial settlement agents and other relationships specified in the Regulation

# Preferential Sharing of Records Not Available To The Public



## AESO Actions

- New or Revised ISO Rules:
  - ISO rule change (rule 1.8) will be required
  - Stakeholders comments and AESO responses were published in August
  - Rule revision will be filed with the AUC
- AESO IT Upgrades:
  - None

# Preferential Sharing of Records Not Available To The Public



## **AESO Actions (cont'd)**

- New or Revised AESO Obligations for Market Participants:
  - AESO will refine its current process of administering the approval of agency agreements
  - AESO will be administrator of agency relationships
  - All previously AESO approved agency relationships will be grandfathered for one year
- New or Revised AESO Templates:
  - Revised Agent Appointment Request Form (see handout)

# Restrictions On Trading Using Outage Records Not Available To The Public

- Addresses restrictions on trading using outage records that are not available to the public
- Certain provisions based on the current MSA Trading Practice Guideline
- A market participant may only use outage records to trade if the requirements of the Regulation have been satisfied
- Outage information can not be used to trade until it has been made public

# Restrictions On Trading Using Outage Records Not Available To The Public



- Regulation requires the AESO to publish outage records:
  1. Generating Unit Fuel Type
  2. Transmission Facility
  3. Electric Distribution System
  4. Market Participant Capability to Consume Electric Energy ('Load Outages')
- AESO already publishes Generating Unit Fuel Type and Transmission Facility (see handouts)
- AESO will exercise discretion and “exempt” market participants from providing:
  - electric distribution system outage information; and
  - load outage information for <40 MW generators (proposed new ISO rule)

# Restrictions On Trading Using Outage Records That Are Not Available To The Public



## **AESO Actions**

### New or Revised ISO Rules:

New ISO rule (rule 10.9) will be required to support the new load outage report

Stakeholders comments and AESO responses were published in August

Stakeholders sought more alignment with MSA Trading Practice Guideline

Rule revision will be re-consulted on

# Restrictions On Trading Using Outage Records That Are Not Available To The Public – AESO actions (cont'd)



## Original Rule 10.9 Proposal

### Eligibility Criteria:

- Load with a DTS contract of 40 MW or greater
- Planned incremental load consumption decrease of 5 MW or greater
- Load decreases due to supply shortfall events, price responsiveness or DOS are exempt

## Revised Rule 10.9 Proposal

### Eligibility Criteria:

- All load with a planned incremental load consumption decrease of 40 MW or greater

# Restrictions On Trading Using Outage Records Not Available To The Public



## **AESO Actions (cont'd)**

- AESO IT Upgrades:
- Load Outage Report (see example next page)
  - Published daily by the AESO (<http://ets.aeso.ca/>)
  - Stamped with effective time and date
  - Report will show remainder of calendar month and the following three months
  - Historical reports will be archived
- Transmission Facility Reports
  - Time stamps have been added

# Restrictions On Trading Using Outage Records Not Available To The Public



## Load Outage Report

Date	Load Outage (MW)
08-01-2009	110
08-02-2009	110
08-03-2009	110
08-04-2009	110
08-05-2009	110
08-06-2009	110
08-07-2009	110
08-08-2009	110
08-09-2009	110

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## Submission and Reporting Of Outage Information

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The above outage table is produced using the best available information as submitted to the AESO by market participants. The data presented in this table is prepared by aggregating submitted outage information.

## Methodology

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Outage MW = Rounded (Sum of the MWh of the outage by time period / Number of hours in the time period)

# Restrictions On Trading Using Outage Records Not Available To The Public



## **AESO Actions (cont'd)**

- New or Revised AESO Obligations for Market Participants:
  - Load Outage Report requirements (see rules)
- New or Revised AESO Templates:
  - Load Outage Report Form (see example next page)
- AESO has published a FAQ summary for the generator outage reports (see handout)

# Restrictions On Trading Using Outage Records Not Available To The Public



## Load Outage Report Form

Load Removed from Service	Activity Description (optional)	MW unavailable	Outage From Date (MM/DD/YYYY)	Outage From Time (HH:MM)	Outage To Date (MM/DD/YYYY)	Outage To Time (HH:MM)	Duration (Daily, D or Continuous, C)	Status (2)

# Market Share Offer Control

- A new market share offer control test will limit the amount of aggregate (including related entities) offer control a market participant may hold to 30% of the total maximum capability of **all** generating units in Alberta (not including tie-line activity). Wind, small (<5MW) generators and ISO required generation (e.g. TMR) are not included in offer control (numerator).
- Information will be collected and reported by the MSA on a minimum annual basis
- Information will include market participant identities and ownership levels, but exclude entities that hold less than 5% of offer control

# Market Share Offer Control



- AESO is explicitly directed to publish, with a 60-day lag, “price, quantity and asset identification information associated with each offer made” to the energy, ancillary services and dispatch down service markets
- The AESO reports will show what offers were available to be dispatched by the AESO
- Information will be published commencing November 1, 2009

## **AESO Actions:**

- New or Revised ISO Rules:
  - None for November 1, 2009, deliverables
  - Rule changes will likely be required for future offer control report upgrades
- AESO IT Upgrades:
  - AESO will publish daily a snapshot of the energy market, dispatch down service and ancillary service merit orders on an hourly basis
  - All three reports will also be available historically

# Market Share Offer Control



## AESO Actions (cont'd) - Energy Market Merit Order Snapshot:

Microsoft Excel - feoc draft reports examples (4).xls [Read-Only]

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A1	DATE													
A	B	C	D	E	F	G	H	I	J	K	L	M	N	
DATE	HE	IMPORT / EXPORT	ASSET ID	BLOCK_NUMBER	PRICE	FROM	TO	SIZE	AVAILABLE MW	DISPATCHED	DISPATCHED MW	FLEXIBLE	SNAPSHOT DATE/TIME	
2	05/01/2009	1	AAAO		3	999.99	62	104	42	42	N	0	N	05/01/2009 00:30
3	05/01/2009	1	AAAG		6	999.99	15	66	51	51	N	0	Y	05/01/2009 00:30
4	05/01/2009	1	BAAW		1	986	3	32	29	29	N	0	N	05/01/2009 00:30
5	05/01/2009	1	AAAF		5	723.89	8	10	2	2	N	0	Y	05/01/2009 00:30
6	05/01/2009	1	BAAL		1	599	125	127	2	2	N	0	Y	05/01/2009 00:30
7	05/01/2009	1	BAAO		6	309.98	75	93	18	18	N	0	Y	05/01/2009 00:30
8	05/01/2009	1	CAAR		0	45.451	0	87	87	87	N	0	Y	05/01/2009 00:30
9	05/01/2009	1	CAAH		5	33.58	330	365	35	35	N	0	Y	05/01/2009 00:30
10	05/01/2009	1	CCCC		5	32.75	270	280	10	10	N	0	Y	05/01/2009 00:30
11	05/01/2009	1	CCCC		4	30.44	250	270	20	20	N	0	Y	05/01/2009 00:30
12	05/01/2009	1	CAAD		3	29.7	220	230	10	10	N	0	Y	05/01/2009 00:30
13	05/01/2009	1	AAAI		3	25	147	155	8	8	N	0	Y	05/01/2009 00:30
14	05/01/2009	1	AAAD		1	21.14	46	84	38	38	N	0	Y	05/01/2009 00:30
15	05/01/2009	1	AAAJ		4	16.37	320	368	48	48	N	0	Y	05/01/2009 00:30
16	05/01/2009	1	AAAI		1	15	100	120	20	20	Y	20	Y	05/01/2009 00:30
17	05/01/2009	1	BAAG		1	14.55	312	373	61	61	Y	61	Y	05/01/2009 00:30
18	05/01/2009	1	BBBB		3	12	353	450	97	97	Y	97	Y	05/01/2009 00:30
19	05/01/2009	1	BAAJ		0	0	0	4	4	4	Y	4	Y	05/01/2009 00:30
20	05/01/2009	1	AAAC		0	0	0	4	4	4	Y	4	Y	05/01/2009 00:30
21	05/01/2009	1	BAAI		0	0	0	5	5	5	Y	5	Y	05/01/2009 00:30
22	05/01/2009	1	CAAQ		0	0	0	5	5	5	Y	5	Y	05/01/2009 00:30
23	05/01/2009	1	BAAR		0	0	0	8	8	8	Y	8	N	05/01/2009 00:30
24	05/01/2009	1	CAAN		0	0	0	33	33	33	Y	33	Y	05/01/2009 00:30
25	05/01/2009	1	BAAI		0	0	0	85	85	85	Y	85	N	05/01/2009 00:30
26	05/01/2009	1	BAAF		0	0	0	110	110	110	Y	110	N	05/01/2009 00:30
27	05/01/2009	1	AAAQ		0	0	0	135	135	135	Y	135	N	05/01/2009 00:30
28	05/01/2009	1	AAAJ		0	0	0	200	200	200	Y	200	N	05/01/2009 00:30
29	05/01/2009	1	BAAG		0	0	0	312	312	312	Y	312	N	05/01/2009 00:30
30	05/01/2009	1	CAAH		0	0	0	312	312	312	Y	312	Y	05/01/2009 00:30
31	05/01/2009	1	CAAE		0	0	0	343	343	343	Y	343	Y	05/01/2009 00:30
32	05/01/2009	1	BAAZ		0	0	0	450	450	450	Y	450	Y	05/01/2009 00:30

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# Market Share Offer Control



## AESO Actions (cont'd) - DDS Merit Order Snapshot:

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	A	B	C	D	E	F	G	H	I	J	K
1	DATE	HE ASSET ID	BLOCK NUMBER	BLOCK PRICE	ORIGINAL MW	AVAILABLE MW	DISPATCHED MW	SNAPSHOT DATE/TIME			
2	05/01/2009	1 AAAS	0	-8.77	44	44	44	05/01/2009 00:30			
3	05/01/2009	1 BAAP	0	-8.76	44	44	43	05/01/2009 00:30			
4	05/01/2009	1 BAAZ	0	-7.77	40	40	0	05/01/2009 00:30			
5	05/01/2009	1 AAAY	0	-2.95	25	25	0	05/01/2009 00:30			
6	05/01/2009	2 AAAS	0	-8.77	44	44	44	05/01/2009 01:30			
7	05/01/2009	2 BAAP	0	-8.76	44	44	43	05/01/2009 01:30			
8	05/01/2009	2 BAAZ	0	-7.77	40	40	0	05/01/2009 01:30			
9	05/01/2009	2 AAAY	0	-2.95	25	25	0	05/01/2009 01:30			
10	05/01/2009	2 AA AJ	0	-2.93	70	60	0	05/01/2009 01:30			
11	05/01/2009	3 AAAS	0	-9.77	40	0	0	05/01/2009 02:30			
12	05/01/2009	3 BAAZ	0	-7.77	40	40	40	05/01/2009 02:30			
13	05/01/2009	3 AAAY	0	-2.95	25	25	3	05/01/2009 02:30			
14	05/01/2009	3 AA AZ	0	-2.94	25	25	0	05/01/2009 02:30			
15	05/01/2009	3 AA AJ	0	-2.93	70	60	0	05/01/2009 02:30			
16	05/01/2009	4 AAAS	0	-10.5	40	0	0	05/01/2009 03:30			
17	05/01/2009	4 BAAZ	0	-9.99	40	40	40	05/01/2009 03:30			
18	05/01/2009	4 BAAP	0	-9.55	44	44	44	05/01/2009 03:30			
19	05/01/2009	4 AA AZ	0	-2.94	25	25	0	05/01/2009 03:30			
20	05/01/2009	4 AA AJ	0	-2.93	70	60	0	05/01/2009 03:30			
21	05/01/2009	5 BAAZ	0	-8.99	40	40	3	05/01/2009 04:30			
22	05/01/2009	5 AAAY	0	-2.95	25	25	0	05/01/2009 04:30			
23	05/01/2009	5 AA AZ	0	-2.94	25	25	0	05/01/2009 04:30			
24	05/01/2009	5 AA AJ	0	-2.93	70	60	0	05/01/2009 04:30			
25	05/01/2009	6 BAAP	0	-9.55	44	44	44	05/01/2009 05:30			
26	05/01/2009	6 AAAY	0	-2.95	25	25	3	05/01/2009 05:30			
27	05/01/2009	6 AA AZ	0	-2.94	25	25	0	05/01/2009 05:30			
28	05/01/2009	6 AA AJ	0	-2.93	70	70	0	05/01/2009 05:30			
29	05/01/2009	7 BAAZ	0	-15.99	40	40	40	05/01/2009 06:30			
30	05/01/2009	7 AAAY	0	-2.95	25	25	0	05/01/2009 06:30			
31	05/01/2009	7 AA AZ	0	-2.94	25	25	0	05/01/2009 06:30			
32	05/01/2009	8 BAAP	0	-24.87	44	44	44	05/01/2009 07:30			
33	05/01/2009	8 AAAS	0	-19.85	32	32	32	05/01/2009 07:30			

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# Market Share Offer Control



## AESO Actions (cont'd) – AS Merit Order Snapshot:

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A1	DATE										
A	B	C	D	E	F	G	H	I	J	K	L
1	DATE	HE	SERVICE	SUPPLY TYPE	ASSET ID	TOTAL DISPATCHED	DISPATCHED	SNAPSHOT DATE/TIME			
2	05/01/2009	1	RR	A	AAAF		16 Y	05/01/2009 00:30			
3	05/01/2009	1	RR	A	AAAS		10 Y	05/01/2009 00:30			
4	05/01/2009	1	RR	A	BAAF		45 Y	05/01/2009 00:30			
5	05/01/2009	1	RR	A	BAAQ		49 Y	05/01/2009 00:30			
6	05/01/2009	1	RR	A	BAAL		5 Y	05/01/2009 00:30			
7	05/01/2009	1	SR	A	AAAE		35 Y	05/01/2009 00:30			
8	05/01/2009	1	SR	A	AAAF		65 Y	05/01/2009 00:30			
9	05/01/2009	1	SR	A	AAAO		30 Y	05/01/2009 00:30			
10	05/01/2009	1	SR	A	AAAQ		30 Y	05/01/2009 00:30			
11	05/01/2009	1	SR	A	BAAF		27 Y	05/01/2009 00:30			
12	05/01/2009	1	SR	A	CAAX		20 Y	05/01/2009 00:30			
13	05/01/2009	1	SR	A	CAAI		6 Y	05/01/2009 00:30			
14	05/01/2009	1	SR	A	CAAW		12 Y	05/01/2009 00:30			
15	05/01/2009	1	SUPG	A	AAAK		16 Y	05/01/2009 00:30			
16	05/01/2009	1	SUPG	A	AAAQ		40 Y	05/01/2009 00:30			
17	05/01/2009	1	SUPG	A	CAAS		10 Y	05/01/2009 00:30			
18	05/01/2009	1	SUPG	A	CAAT		149 Y	05/01/2009 00:30			
19	05/01/2009	1	SUPL	A	CAAY		12 Y	05/01/2009 00:30			
20	05/01/2009	1	TMR	B	AAAX		40 Y	05/01/2009 00:30			
21	05/01/2009	1	TMR	B	BAAS		1 Y	05/01/2009 00:30			
22	05/01/2009	1	TMR	B	BAAW		9 Y	05/01/2009 00:30			
23	05/01/2009	1	TMR	B	BAAX		41 Y	05/01/2009 00:30			
24	05/01/2009	1	TMR	B	CAAS		1 Y	05/01/2009 00:30			
25	05/01/2009	2	RR	A	AAAF		5 Y	05/01/2009 01:30			
26	05/01/2009	2	RR	A	AAAS		10 Y	05/01/2009 01:30			
27	05/01/2009	2	RR	A	BAAF		16 Y	05/01/2009 01:30			
28	05/01/2009	2	RR	A	BAAQ		45 Y	05/01/2009 01:30			
29	05/01/2009	2	RR	A	BAAL		49 Y	05/01/2009 01:30			
30	05/01/2009	2	SR	A	AAAE		30 Y	05/01/2009 01:30			
31	05/01/2009	2	SR	A	AAAF		12 Y	05/01/2009 01:30			
32	05/01/2009	2	SR	A	AAAO		65 Y	05/01/2009 01:30			
33	05/01/2009	2	SR	A	AAAQ		20 Y	05/01/2009 01:30			

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## **AESO Actions (cont'd)**

- New or Revised AESO Obligations for Market Participants:
  - None
- New or Revised AESO Templates:
  - None

## AESO Actions (cont'd)

- Once AESO implements the required IT and process changes, the asset identification report will be augmented with offer control information
- Significant AESO IT changes are required to implement the offer control information - AESO will begin preliminary work in 2009
- AESO will consult with market participants on the design of the Energy Trading System interface

# Next Steps

- Changes to ISO Rules 1.8, 1.10 and 10.9 will be filed with the AUC
- AESO implementation requirements will be in place for September 1 and November 1, 2009
- AESO work on future offer control reporting requirements will begin later in 2009
- Ongoing communication to and consultation with stakeholders

# Questions?



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