

**AESO Recommendation Paper – Intertie Framework  
Stakeholder Comment Matrix**

<b>Section</b>	<b>AESO Recommendation/Feedback Requested</b>	<b>Stakeholder Response</b>
<b>4.0 Policy Coherence</b>	The AESO is interested feedback as to the AESO's policy interpretation.	

<p><b>5.1 Real-Time Dispatch/Scheduling</b></p>	<p>The AESO recommends implementing dynamic scheduling to enable real-time dispatch and to permit the submission of priced/bids and offers.</p>	<p>Absent significant measures to ensure that the principles of the FEOC are upheld, Capital Power is not supportive of the imports pricing into Alberta’s market. We have outlined in our comments on wind and on imports that our view is that it is only fair that the right to price in Alberta’s energy only market comes with being a firm, capacity resource. The fidelity of the energy only market price signal cannot be allowed to be compromised by providers that can undercut existing players because they participate without the same requirements to be firm, capacity resources. The AESO’s approach thus far of not allowing non-capacity resources to price into the merit order treats non-capacity resources fairly and appropriately, in that, non-capacity resources provide energy only, they are opportunistic supply providers that cannot be relied on without ancillary service support.</p> <p>Furthermore, Capital Power is concerned with FEOC as it applies to competition between Alberta generators and crown-owned generation from other provinces. Capital Power believes that such treatment leads to unfairness in the market, will distort market pricing (due to the significant out of market payments that imports have access to), and will lead to the underdevelopment of intra-Alberta generation.</p> <p>Crown corporations enjoy many advantages. These advantages include, among others, savings in taxation as well as cost of capital. Treating these resources like Alberta generation is treating an orange like an apple. Unlike crown-owned generation, Alberta generation risk being conscripted under the AESO rules, have “must offer, must comply” obligations, and are reliant on the market to receive their returns. A broader discussion, and additional analysis, is required to assess the impact that imports pricing in will have on the Alberta market.</p> <p>The AESO contemplates energy security as a reason favoring the adoption of dynamic scheduling and imports pricing. At a reliability level, we do not understand how allowing imports, a non-capacity resource, to price in to the market would lead to anything but energy security concerns. Fundamentally, these resources participate in the market to offload excess supply; as such, these resources are cheap because they aren’t priced to be firm capacity. We encourage the</p>
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		<p>AESO to examine other options to integrate imports and wind without impacting the broader market. For example, the AESO should consider opportunities to further develop ancillary service market products to pair with these types of resources and allow for their full participation in the energy only market. Wind firming, reactive power, and import pricing products could be used to address the same issues without compromising the spot energy market. Rather than ignoring that these differences exist and allowing those differences to bear out as distortions in the market, these services will help to address the very real differences between intra-Alberta generators and external generators,</p> <p>In summary, Capital Power does not support imports pricing in without having these level playing field and energy security concerns addressed.</p>
<b>5.2 Transmission Rights - Policy</b>	The AESO recommends that it plan the transmission system so that each intertie can transfer up to its path rating simultaneously.	Capital Power is supportive of this recommendation. However, Capital Power wishes to ensure that exports and imports are given simultaneous access to the intertie.
<b>5.3 Transmission Products</b>	The AESO recommends that a merchant transmission service (MTS) be added to the AESO tariff, offered to the merchant transmission asset owner, which appropriately reflects system access service to inject/withdraw at the border.	Capital Power agrees with the AESO in that IOX/XOS should be curtailed first for reliability reasons, as imports do not have to meet the same interconnection requirements as STS customers.
<b>5.4 ATC Allocation</b>	<p>The AESO recommends when there is congestion on the interties, an ATC allocation rule be implemented that arbitrates by energy price and then pro-rata between remaining same priced schedule requests.</p> <p>The AESO is interested in feedback as to what the best timing (xx:yy) for ATC curtailments to be made if</p>	Capital Power agrees with the AESO in that pro-rata allocation is currently the best solution for congestion on the interties. When calculating pro-rata curtailments, the denominator should be the total system import ATC shared between the lines.

	not xx:45.	
<b>5.5 Next Steps</b>	The AESO is interested in stakeholder comment on the AESO's next steps.	