

Market Policy Framework Implementation Frequently Asked Questions

November 29, 2007

For Deployment on Dec 3, 2007

Q: *When is the earliest I can send in my submission for Dec 3rd, so that the system will accept my AC? Or is the expectation that I restate my AC the morning of the 3rd before the outage?*

A: Offers for Dec 3rd are submitted prior to noon on Dec 2 (same as today). After the outage:

- if your offer does not equal the Maximum Capability (MC) of the asset, the last block of your offer will be adjusted to equal MC
- the Available Capability (AC) will be populated with today's Total Declared Energy (TDE) value for that specific hour. If no TDE is entered for that specific hour, the AC will be equal to your MC.

Q: *How do I input my submissions for December 4th?*

A: Offers can be submitted for December 4th on Monday December 3rd before the systems outage, i.e., before 10:00AM. Alternatively, participants can make submissions after the new IT systems have been deployed. The submissions gate will be open after deployment for a period equal to the systems outage duration plus one hour.

Submissions

Q: *Within the current ETS framework, we restate TDE for outages & de-rates in order to properly report the energy available from our generators. We perform an Energy Restatement in situations in which the energy is available, but for reasons such as testing, or standby ancillary activation, the offer must be adjusted to generate the appropriate dispatches.*

A: You must always offer your Maximum Capability (MC); if you are not physically able to provide MW up to your MC at any time during the trading day, you would indicate your availability through your Available Capability (AC). Any difference between your MC and AC must be supplemented by an Acceptable Operational Reason. Testing of a generator, when there is no change to the AC, can be reflected in your offer by moving volumes between your offer blocks. This should be done outside the T-2 window if possible. If testing changes the AC then this should be adjusted as soon as it is known so that the volumes are properly reflected in the Supply Adequacy Report. When testing your generator you must follow OPP 603. When called upon to provide standby ancillary services the generator may use an AOR to re-position their asset to provide the service, through and energy restatement.

Q: *If the MC of my asset is 50 MW, and I need to supply 30 MW for internal load requirements, which leaves 20 MW available to be sold into the spot market, do we offer all 50 MW, and then change our AC to 20 MW?*

A: You must offer all of your Maximum Capability (MC). That is, using your seven price/quantity pairs (or less), you must reflect the entire 50 MW that you state as your MC and then adjust your Available Capability (AC) if the asset cannot supply that amount. You must also provide an acceptable operational reason (AOR) when your AC is less than your MC. In your example, your MC =50 MW, so if you are offering net to grid your AC would be 20 MW (supplemented by an AOR). If you are offering gross generation you don't have to consider your behind the fence load and your AC would be 50MW.

Q: *Are we required under the rules to actually submit an offer for the full 7 days, each day? For example, what if, by noon, we forgot to submit an offer for day 7?*

A: Participants must submit and offer for the next trading day to the AESO before 12:00 hours of the day before the next trading day (Rule 3.5.2). You may enter an offer for the forecast scheduling period, however, are not required to do so. If you forgot to enter a new submission for the next trading day, your offer would default to your last standing submission prior to the trading day (same as today).

Q: *How do I represent my asset's operating state if I have 1 asset, and 2 units behind the one asset? For example, my asset's MC with both units is 50 MW (Unit 1 is 30 MW, Unit 2 is 20 MW). My lead time for unit 1 is 5 minutes; my lead time for unit 2 is 3 hours. My offers are net to grid. Normal operations use only 1 unit.*

A: Assuming Unit 1 is on at all times, your initial start up time (value in ETS) for the asset will be zero. If you are only operating using Unit 1, your MC will be 50 MW, your AC will 30 MW, and the reason supplementing your AC will be 'Unit 2, Long lead time 3 hours'. If you wish to start up Unit 2:

- Adjust your AC and offer accordingly for the hours you expect to be synchronized to the grid, this time should make sense given the AC stated in your reason (in this case, you would be adjusting your AC for three hours from current time.)
- Contact the System Controller, to communicate that you will be starting Unit 2, and the time you expect to synchronize to the grid.
- You may withdraw your start time prior to two hours before the start of the next settlement interval: contact the system controller and restate your AC accordingly.

Q: *Will the URL for accessing ETS change on Dec 3^d?*

A: The URL will remain the same as today: participants will enter ETS through the ETS login button on the external website, and select their certificate to access ETS.

Q: *Can we use CSV files for our submissions?*

A: CSV files are used for New Energy submissions and New DDS submissions. Restatements are through the submission screens in ETS. This is the same as today.

Q: *Is there a way to capture our submission file in .csv format?*

A: Similar to today, you will be able to save your confirmation messages in .csv format (the confirmation message, if the submission is successful, is the "pop up" after you hit submit in ETS).

Restatements

Q: *I understand that any sold active operating reserves will be automatically deducted from Available Capacity, is this correct?*

A: Correct, the amount of operating reserves dispatched will be deducted from the AC when the reserves are dispatched and a new energy market dispatch will be sent if the adjustment affects the energy market dispatched amount. In fact, this will occur whether the reserves came from active or standby reserves.

Q: *How will Ancillary Service dispatches affect PPA units? There still remains the problem of the grandfathered PPA units' requirement of restating ancillary from Committed Capacity.*

A: This issue is not unique to the PPA units. The concern is that operating reserves are auto-adjusted starting at the AC which could include excess energy as defined in the PPAs. It is quite likely that this would result in operating reserves being provided from a coal units' ECR. The ECR energy may not be available to provide reserves in 10 minutes as required nor can regulating reserve be provided from ECRs due to physical limitations of operating in this mode. Therefore, if this is the case, using an AOR iii) the participant could restate the unit's AC to exclude the ECR energy while providing operating reserves, if appropriate.

Q: *As soon as we are activated to provide 40 MW of spinning reserve and placed in the ready to provide state our available capacity will be lowered by 40 MW. We are faced with having to re-align our price/quantity pairs to match the different operating costs. Can this re-alignment process be done as soon as we are activated?*

A: The AESO does not require that you re-align your PQ pairs. If you require re-alignment then you should make sure your offers reflect the re-alignment at least two hours before the start of the delivery hour.

Q: *In the T-2 world, what would be the latest time that I could put in a restatement to be dispatched for hour ending 17:00?*

A: If you are restating your AC at any time during the trading day (Mandatory Energy Restatement 'a'), you will require an acceptable operational reason.

If you are restating your price/quantity, and not changing your AC (Voluntary Price Restatement), you may do so prior to two hours before the before the start of the next settlement interval, this is an example of what is commonly referred to as "T-2", which means that you will be able to enter a restatement at any time prior to 14:00 to be dispatched for hour ending 17:00 (HE 17:00 is between 16:00-17:00).

If you have an acceptable operation reason you can restate at any time provided you meet the requirements in definition and follow rule 3.5.3.2 for restatements.

To aid participants in restating, ETS is designed to gray out values that cannot be restated.

Outage Scheduling

Q: Currently whenever we change TDE an email notification is sent to ourselves and our partner on the project with all the information about the change except the reason. This allows them to have access to any changes to availability simultaneously to the market becoming aware. Now that TDE is disappearing and AC replaces it in the short term and there is the separate outage scheduling tab what will happen to this automated email by the AESO?

A: "TDE Auto-emails", set up for PPA Owner/Buyer type relationships, will carry over with a similar function in the ETS environment after Dec 3, 2007: The emails addresses entered will be untouched; meaning that the recipients of the emails today will still receive emails updating them whenever there is a change in AC.

Q: Can we enter AC through Outage Scheduling for the forecast period?

A: For the duration of the forecast scheduling period (within 7 days), all available capability (AC) information must be entered through the Energy Submission section of ETS.

For all periods past the forecast scheduling period (greater than 7 days), all AC information must be entered through the Outage Scheduling section of ETS.

The above would mean that information entered through the outage scheduling section, will populate within your submission section as it becomes part of the forecast scheduling period

Q: Within the 7 day forecast scheduling period, how do I change AC through my submissions screens?

A: You would change your AC through your restatement screens within the restatement period; and through your New Submission screen for the remaining 2-7 days by selecting each 'dispatch date' individually, or you may also use file upload when entering AC for New Submissions.

Imports/Exports

Q: The AESO needs to write some very clear rules around AOR for imports/exports. The AESO has indicated that transmission constraints are an AOR but energy constraints are not. The problem is that sometimes the two are intertwined. As an example BCTC posts transmission availability at T-50mins. Everybody races and the transmission (tx) is distributed accordingly. A problem I can see happening is sometimes the ATC gets adjusted anywhere from T-25mins to T-10mins. What

happens to if we offer 100mws import, lose the tx race, and then T-31min or T-20mins or T-10mins the ATC gets re-rated and the tx is now available?

A: The AESO assumes that when an importer submits an offer at or before T-2 their intention is to supply import energy. Based on this assumption it seems reasonable to assume that an importer will make every practical effort to acquire transmission to facilitate the import. So if a transmission request is denied but transmission becomes available at a later time, the importer will likely attempt to acquire the transmission again.

The AESO expects importers to attempt to acquire transmission during the appropriate timeframe. For example, attempting to acquire transmission from BCTC at T-65 and being rejected would not be an acceptable operational reason since BCTC has not released their non-firm ATC, however, requesting it at T-45 and being rejected is, since this is after the non-firm ATC is posted by BCTC.

It is unlikely that importers will be able to schedule or submit etags for transmission that is posted in adjacent jurisdictions at or after T-25 before T-20. At T-20, according to OPP 301, the AESO may or may not accept schedule therefore it follows that importers would not be required to acquire transmission that only becomes available after T-25.

The importer who is denied transmission should receive a denial for the transmission request and should document it and provide it to the AESO on request.

Q: *We may have bought energy T-2 hours and then when we lost the tx race and sold the energy (for a loss) at the last second. Energy can be tough, if not impossible, to find on a tight day at T-30mins. At the same time we can't be expected to hold on to the energy on the off chance that a line gets re-rated at the last minute.*

A: The importer in this case should have a denial for the transmission request which would be considered an acceptable operational reason. It should be documented and provided to the AESO on request.

Q: *What if import transmission gets re-posted at the last second but we don't notice.*

A: Transmission posted after T-25 would be difficult to schedule on before T-20 so it would not be expected (although not prohibited) that importers acquire this transmission. However, the importer would still need to have documented that they attempted to acquire transmission earlier in the hour and were rejected.

Dispatch of Long Lead Time Units

Q: *If I have 1 asset, and multiple units behind that asset, which have a long lead time between 40 minutes to 4-6 hours, how would I represent my lead time?*

A: Assets with a lead time of 1 hr or greater qualify as long lead time generation; all other assets should set their Initial Start up time to zero, and offer as they do today. If the asset usually has MW on the grid, it should be in merit already; only enter a start time (in ADaMS) for assets that have no MW synchronized to the grid, and require 1 or more hrs to synchronize. Reminder: if your asset is a long lead time

asset, and no MW are on the grid, then it is important to enter the start time in ADaMS, otherwise the asset will not show up in the energy market merit order. This is in addition to complying with the must offer/must comply and restatement rules.

Q: *Coal Outage returns - should these units simply be offered in at 0 as they are returning, and we can bring the AC up as the plant comes online?*

A: For a coal unit returning from an outage, the participant will enter in a start time in Adams, and restate their Available Capability (AC) as the plant comes online; the participant would structure their offers as they would today.

Q: *What is the penalty if a coal units' AC is available earlier than expected? If I declare a units AC to come on in 5 hours, and 1 hour later my plant says they are able to come online immediately, do I have to declare my intention for 2 hours ahead and begin bringing the unit on adjusting my AC accordingly? Would I be able to restate the unit to the grid and bring it up as soon as I get the call? Operationally, as soon as I change my AC, if my unit is in merit will I get the dispatch?*

A: As the asset is coming back from an outage, the participant must enter a start time in ADaMS and the participant must restate the AC accordingly. When it is available to come on-line (within or outside of T-2, since the asset was off for an acceptable operational reason), you will get the dispatch if your asset is in merit (the System Controller will have visibility of your offers up to the AC). Please also note that participants are required to follow the appropriate Rules (Operating Policies and Procedures) for Outage Scheduling prior to the outage.

It is also recommended that the participant communicate with the System Controller as they would today.

TMR and Dispatch Down Service (“DDS”)

Q: *Has the DDS offer price been capped or is the minimum 0?*

A: For Dispatch Down Service, participants are able to enter an offer of \$0 to negative \$999.99 (Rule 3.9 c), rules effective Dec 3, 2007)

Q: *Is there any technical requirements for being able to offer DDS as there is for Ancillary Services (AS)?*

A: there is no specific technical requirements for DDS as there is for AS. If you are able to offer Energy, you will be able to offer DDS (if your asset's Maximum Capability is 10 MW or above). Participants profiled for DDS will be able to enter in a DDS offer (again, assets with a Maximum Capability of 10 MW or above will be profiled for DDS). The participant may be dispatched for DDS if it is eligible to provide DDS at that time (Refer to ISO Rule 3.5.5 & 6.3.6 effective Dec 3, 2007 for further details.

Payments to Suppliers on the Margin

Q: *Uplift payments to generators – we understand that payments will be made by asset ID. Will the AESO be providing an hourly data file that shows the payments by asset ID?*

A: Yes. Payment to suppliers on the margin and DDS payments will be reported like other charges and payments. These items have been added to the reports that you receive today, i.e., hourly, daily and monthly.

Q: *In an example where one participant has an export of 100MW and an import of 150MW how would supplier on the margin payments be allocated?*

A: The 100 MW of export would be charged for supplier on the margin payments.