February 7, 2008

To: Market Participants and Interested Parties

Re: Dispatch Down Service ("DDS") dispatch changes in the Automated Dispatch and Messaging System ("ADaMS")

Pursuant to the AESO’s letter dated January 31, 2008 regarding ‘Phase 1 Market Policy Implementation ("Quick Hits") Update’; the AESO is deploying a change to DDS dispatches that will affect DDS dispatches to a lower level or off. The change will take place on February 7, 2008 at approximately 11:15 a.m. Mountain Standard Time (pending any real time issues), and is estimated to be completed by 11:45 a.m. It is intended to address one of the price-spike issues that participants have noticed since the implementation of Quick Hits. Specifically, the issue being corrected is the inappropriate appearance of several short duration price spikes within the System Marginal Price (SMP) report when energy is released into the merit order caused by a DDS dispatch down or off.

The AESO understands the critical importance of providing an accurate price signal, maintaining confidence in the market and avoiding events that adversely impact market participants. We are working diligently to address the second price spike issue, caused when energy is released into the merit order as a result of an energy restatement within the current hour.

Prior to the deployment effective February 7, 2008, DDS dispatches included both a DDS MW level dispatch instruction and a corresponding Energy MW level dispatch instruction. Both dispatches had to be accepted or rejected simultaneously.

During the deployment, ADaMS will be unavailable; therefore the System Controller will communicate dispatch information to participants via telephone, and will notify participants upon completion.

After the deployment effective February 7, 2008, a DDS MW dispatch instruction will no longer automatically include a corresponding Energy MW level dispatch instruction when the DDS MW level is being dispatched to a lower MW level or off. An Energy MW level dispatch will be issued separately, if appropriate, and the participant will be required to accept that dispatch as they normally would.

A corresponding Energy MW level dispatch instruction will continue to be associated with a DDS MW level dispatch instruction when DDS is being dispatched on or to a higher MW level. The examples below provide a visual representation of the dispatches:
Similar to today, participants are expected to respond to the Energy dispatch level that corresponds with the DDS dispatch on and the DDS dispatch off; and, will be monitored as such for compliance.

We would like to thank participants for their understanding and cooperation in this matter.

If you have any questions or concerns please contact Doug Simpson at (403) 539-2494.

Regards,

“original signed by”

Doug Simpson
Director, Market Operations
Market Services
AESO