

AESO Recommendation Paper – Intertie Framework
Stakeholder Comment Matrix – Industrial Power Consumers Association of Alberta (IPCAA)

Section	AESO Recommendation/Feedback Requested	Stakeholder Response
4.0 Policy Coherence	The AESO is interested feedback as to the AESO's policy interpretation.	<ul style="list-style-type: none"> • IPCAA believes the AESO may be misinterpreting Alberta Energy's policy; • IPCAA agrees that the policy is to restore the interties to ATC capability, but questions whether this means reserving portions of the capacity for internal Alberta reliability concerns to count against ATC. (For example, around 65 MW of ATC capability is being reserved for possible intra-Alberta load ramping, including an arc furnace. Surely there is a more efficient, market-based solution to address this 65 MW) • IPCAA does not agree that intertie restoration means that these costs should simply be allocated to loads. Instead, the intertie should be seen as a generator or load, and therefore responsible for any costs to meet obligations for dispatch the same as other generators and loads; • IPCAA believes that government policy implies the consideration of 'market-solution first'. The AESO needs to demonstrate why a market solution will not work before it can treat the costs as socialized transmission costs.
5.1 Real-Time Dispatch/ Scheduling	The AESO recommends implementing dynamic scheduling to enable real-time dispatch and to permit the submission of priced/bids and offers.	<ul style="list-style-type: none"> • IPCAA would support a move to dynamic scheduling and priced bid/offer volume pairs if the rest of the system was also moving to a two-price settlement structure, with energy transacted in advance of real-time and with 'at-risk' supply and demand schedules; • Otherwise, dynamic scheduling is just another piece-meal solution and will not help generate an effective price signal or a sustainable market in Alberta.
5.2 Transmission Rights - Policy	The AESO recommends that it plan the transmission system so that each intertie can transfer up to its path rating simultaneously.	<ul style="list-style-type: none"> • This statement presumes that the intertie is part of the transmission system, and therefore "benefits" from central planning. Interties are not transmission lines, just as generators and loads are not transmission lines. In fact, this statement makes it unclear whether the AESO actually considers an intertie to be a "generator at the border" or a transmission line. Much more clarity is needed; • An intertie should be treated as a source or sink, the same as a generator or a load; • The AESO's responsibility is to ensure that its Rules and processes for adding intertie

		<p>capabilities are not constricted by treating interties as part of the transmission system;</p> <ul style="list-style-type: none"> • This includes not encumbering the interties with reliability constraints that are beyond those applied to loads and generators; • Rights and obligations should exist at an intertie similar to any other market participant attaching to the transmission grid; • If a market-based solution can be used to ensure that the interties can transfer up to their path rating when imports are needed, then the market has achieved something. Obtaining path rating transfer capabilities when the interties are not needed and no imports are willing to flow is not a worthwhile venture. • Intertie policy on exports need to consider who benefits from increased exports. Alberta loads should not have to pay increased electricity costs to the benefit of loads and marketers in other jurisdictions.
<p>5.3 Transmission Products</p>	<p>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.</p>	<ul style="list-style-type: none"> • This policy interpretation appears to be making the MATL line a scapegoat for the inability of the AESO to properly plan; • IPCAA has a stated preference for merchant (and competitively procured) transmission lines, and the AESO should give preference to any transmission provider that is willing to take on construction and utilization risks; • If the MTS were to be considered a preferential tariff (i.e. last cut) then IPCAA may be prepared to consider this solution; • The AESO needs to circle back to government and re-evaluate its interpretation of intertie policy;
<p>5.4 ATC Allocation</p>	<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</p>	<ul style="list-style-type: none"> • IPCAA has stated on numerous occasions at AESO stakeholder sessions on ATC allocation that we prefer a market-based solution over a set of imposed Rules that will tend to reduce utilization rather than increase it; • ATC should be treated as a “right-to-import” or a “right-to-export” and should be transacted in an open and competitive market with the same withholding Rules and “must-offer” obligations that exist for generators; • The MSA should be the administrator of whether these rights are being afforded FEOC treatment.

	curtailments to be made if not xx:45.	
5.5 Next Steps	The AESO is interested in stakeholder comment on the AESO's next steps.	<ul style="list-style-type: none"> • IPCAA believes that the AESO should seek policy clarification from Alberta Energy with respect to intertie treatment prior to taking any further steps; • The AESO should also reconsider its view that interties are treated like “generators at the border” and should look to market-based solutions and employ user pays principles when addressing ATC allocation.