



**Stakeholder Comment Form**

**AESO AUTHORITATIVE DOCUMENT PROCESS**

**New G1 Definitions  
New ISO Rule 5**

*NOTE: The AESO is asking market participants to give an initial indication of their support for, or opposition to, the specific ISO rule changes referenced below. Such an initial indication assists in the AESO's practical understanding of the receptivity of the industry to the proposed changes, and in that regard the AESO thanks in advance all market participants who choose to respond. With regard to the specific ISO rule changes and their implications, such responses are without prejudice to the rights of market participants under the Act, any regulations, or related decisions of the Commission.*

Date of Request for Comment:      October 6, 2009  
 Period of Consultation:            October 6, 2009 through October 30, 2009

Comments From:    May Jensen Shawa Solomon LLP for the Independent Power Producers Society of Alberta (IPPSA)  
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**NOTE: Some members of IPPSA hold the view that, in many instances in Rule 5, the term “generation facility owner” should be used in place of the term “pool participant”.**

<b>G1 Definitions to ISO Rules</b>	
<p>“<b>scheduled generator outage</b>” means the period of time as planned by the <b>owner</b> of a <b>generating asset</b> during which that <b>generating asset</b> is partially or fully removed, derated from, or otherwise is not physically or mechanically available for service by the <b>owner</b> due to planned or scheduled maintenance or repairs to any of the plant, equipment or components of the <b>generating asset</b>.</p> <p>“<b>incremental generation costs</b>” means, where the <b>ISO</b> has issued a <b>directive</b> to any <b>pool participant</b> with a <b>generating asset</b> requiring that the <b>generating asset</b> be made available to, or to actually operate, exchange <b>electric energy</b> or provide <b>ancillary services</b>, those reasonable and unavoidable costs incurred that are reasonably attributed to compliance with the <b>directive</b> and which</p>	<p><input type="checkbox"/> Support  <input checked="" type="checkbox"/> Oppose  <input type="checkbox"/> No Comment</p>

may reasonably be determined to have been avoided but for the **directive**, and include:

- (a) the following specific costs as incurred and related to compliance with a **directive** for long lead time energy under **ISO rule 6.3.5**:
  - (i) the actual costs of all variable charges from the **STS Rate Schedule** of the **ISO tariff**, including any applicable **loss factors** charge or credit;
  - (ii) variable operational and maintenance charges;
  - (iii) fuel costs to start and run the **generating asset**; and,
  - (iv) other related direct and reasonable costs.
  
- (b) the following specific costs as incurred and related to compliance with a **directive** canceling a **scheduled generator outage** for a **generation asset** under **ISO rule 5.3**:
  - (i) those incurred to plan, prepare for and execute the **scheduled generator outage**, from initial planning and inception to the date of the **directive** from the **ISO** canceling the **scheduled generator outage**;
  - (ii) those incurred subsequent to the date of cancellation by the **directive** and in accordance with **good electric operating practice**, and otherwise which would not have been incurred but for the cancellation;
  - (iii) those incurred for re-scheduling personnel, equipment and other materials required for the performance of the work originally to be completed or performed pursuant to the cancelled **scheduled generator outage**;
  - (iv) in the form of verified damages or liquidated claims dollar amounts incurred by or claimed against the owner with third parties pursuant or related to any third party contract terms and conditions for performing work on or directly related to the **generating asset** during the **scheduled generator outage**, which third party work has been cancelled or otherwise cannot be performed due to the **scheduled generator outage** cancellation.

***Reason for Stakeholder Positions:***

In summary, in a related current proceeding (the “**LLTE Proceeding**”) before the Alberta Utilities Commission (the “**Commission**”), the AESO is properly and forcefully advancing and advocating a definition of “incremental generation costs” (the “**First Definition**”), taking into account Decision 2009-007 and Decision 2009-120 of the Commission, as well as the input obtained by the AESO through an industry-wide consultation process. The definition of “incremental generation costs” now proposed by the AESO in this context (as set out above) (the “**Second Definition**”) is not consistent with the First Definition submitted by the AESO in the LLTE Proceeding currently pending before the Commission.

On April 10, 2008, the AESO filed, among other things, G1-Definitions, certain Rules and Appendix 7 (the “**Initial AESO Rules**”). As a result of objections from market participants, the Commission held a public hearing on September 22 and 23, 2008. On January 19, 2009, the Commission issued Decision 2009-007, and directed the AESO to change the Initial AESO Rules. On July 7, 2009, the AESO filed revised Rules and a revised Appendix 7 (the “**Compliance AESO Rules**”). On August 24, 2009, the Commission issued Decision 2009-120, which directed the AESO to re-file the portion of the Compliance AESO Rules that related to the definition of “incremental generation costs”. On October 8, 2009, the AESO filed documentation as required by Decision 2009-120.

In both the July 7, 2009 and October 8, 2009 filings by the AESO, based on the input obtained from extensive stakeholder consultation, the AESO submitted to the Commission a definition for “incremental generation costs”. Subsequently, with its October 8, 2009 filing to the Commission, the AESO insisted (correctly) that its definition of “incremental generation costs” complied with the directions given by the Commission in Decision 2009-007 and Decision 2009-120. The AESO provided substantial written submissions in support of that conclusion (the “**AESO Refiling**”).

However, after the July 7, 2009 filing by the AESO with the Commission (including the widely-accepted First Definition of “incremental generation costs”), and immediately before the AESO’s October 8, 2009 filing with the Commission assertively advocating the propriety of the First Definition, the AESO circulated to stakeholders a different definition of “incremental generation costs” (on October 6, 2009) in the form set out above. Also on October 6, 2009, the AESO advised stakeholders that it would seek to have the First Definition removed from Appendix 7, if and when the Commission approved the Second Definition.

IPPSA agrees with the concept of having one single definition for “incremental generation costs” to govern the compensation payable to generators for complying with directives, whether such directives are in relation to either long lead time energy units or outage coordination activities by the AESO.

However, the definition of “incremental generation costs” should be consistent with the definition that was developed through the broad industry-wide stakeholder consultation process, that the AESO then filed with the Commission originally (on July 7, 2009), and that the AESO has been advancing and advocating before the Commission since that time.



In the “Alternate Proposal” section below, IPPSA has identified the material differences between the First Definition and the Second Definition.

**Alternate Proposal:**

Having regard to the Second Definition (the definition of “incremental generation costs” proposed by the AESO as set out above), the following changes should be made:

- In the open language of the definition, change “those reasonable and unavoidable costs incurred” to “those reasonable costs incurred”;
- Change (a)(iv) to “other related reasonable costs.”; and
- Add a new (b)(v) which reads “other related reasonable costs”.

The above changes would render the Second Definition consistent with the First Definition of the same term that has been advanced and advocated by the AESO in the LLTE Proceeding. Also, the above changes would render the treatment of long lead time energy directives consistent with the treatment of outage coordination directives, by allowing for a basket category of costs incurred by the generator by reason of the directives that would not have been incurred but for the directives, with a view to ensuring that the generator is kept whole in complying with the directive. As the AESO correctly submitted in the AESO Refiling:

(I)t is both reasonable and practical for the AESO to anticipate that there may be other reasonable costs incurred by the directed generator, attributable to a LLTD, and that would otherwise have been avoided but for that direction. It is not practical to try and define or enumerate the precise nature of any such costs...

**ISO rule 5 Reliability Assessment and Scheduled Outage Cancellation**

**1. Applicability**

- (1) To the **ISO**.
- (2) To **market participants**.
- (3) To **pool participants**.

**Support**  
 **Oppose**  
 **No Comment**

**Reason for Stakeholder Positions:**

**Alternate Proposal:**

**2. Requirements**

**5.1 Reliability and Adequacy Assessments**

- (1) The **ISO** will on an as required basis apply all **reliability standards** and operating polices and procedures criteria for the purpose of assessing **reliability**.
- (2) For the purpose of assessing **adequacy** the **ISO** will:
  - (a) complete a supply and demand forecast using the peak demand hour for every **day** for the next successive two (2) year period, incorporating or addressing the following:
    - (i) the sum of the **maximum capability** from all **generating assets** in Alberta with a **maximum capability** equal to or greater than five (5) **MW**, plus
    - (ii) an estimate of the output from wind power facilities, plus
    - (iii) import **available transfer capability** on the British Columbia and Saskatchewan **interconnections** with **ILRAS**, minus
    - (iv) declared **generating asset** deratings, minus
    - (v) **generating assets** which are experiencing any **transmission constraints**, minus
    - (vi) anticipated **generating asset** derates, minus
    - (vii) the daily forecast **load** from the mid-term forecast Alberta internal **load** demand, minus
    - (viii) **operating reserves** requirements, plus
    - (ix) price responsive **load**, plus
    - (x) aggregate **outage** records for **load** , plus
    - (xi) **load** for **demand opportunity service**.
  - (b) complete a real time **adequacy** assessment for each **settlement interval** for the **trading day** and for the six (6) remaining **days** of the **forecast scheduling**

- Support
- Oppose
- No Comment

<p><b>period</b> on the <b>day</b> preceding that <b>trading day</b>, and which assessment will incorporate or address the following:</p> <ul style="list-style-type: none"> <li>(i) the sum of the <b>available capability</b> of all <b>generating assets</b> in Alberta with a <b>maximum capability</b> equal to or greater than five (5) <b>MW</b>, and with a start up time either: <ul style="list-style-type: none"> <li>(A) less than or equal to one (1) hour, or</li> <li>(B) at or before the period being assessed, plus</li> </ul> </li> <li>(ii) an estimate of the output from wind power facilities, plus</li> <li>(iii) an estimate of the amount of price responsive <b>load</b> that will reduce <b>demand</b>; plus</li> <li>(iv) an estimate of <b>load</b> for <b>demand opportunity service</b> that will be curtailed; plus</li> <li>(v) an estimate of the amount of on-site generation that supplies behind the fence <b>load</b> and submits <b>available capacity</b> as net-to-grid value; minus</li> <li>(vi) an estimate of the amount of anticipated <b>generating asset</b> derates, plus</li> <li>(vii) import to forecast <b>available transfer capability</b> on the British Columbia and Saskatchewan <b>interconnections</b>, plus</li> <li>(viii) reducing exports on the Alberta – British Columbia and Alberta - Saskatchewan <b>interconnections</b> to zero (0) <b>MW</b>, plus</li> <li>(ix) all <b>supplemental reserves</b> and excess <b>spinning reserves</b> delivered, plus</li> <li>(x) <b>generating asset</b> or import <b>available transfer capacity</b> that can be obtained by canceling transmission maintenance, minus</li> <li>(xi) unavailable energy from <b>generating assets</b> due to <b>transmission constraints</b>.</li> </ul>	
<b><i>Reason for Stakeholder Positions:</i></b>	
<b><i>Alternate Proposal:</i></b>	

## 5.2 Generating Asset Scheduled Generator Outage Reporting

The **pool participant** of any **generating asset** with

- (a) installed capacities of five (5) **MW** or higher, or
- (b) derate changes of plus or minus five (5) **MW** or greater,

must comply with the **scheduled generator outage** reporting requirements for the **generating asset** as set forth in the **ISO rules** set out below.

### 5.2.1 Specific Scheduled Generator Outage and Forced Outage Reporting Requirements

- (1) Subject to subsection (2), each **pool participant** of a **generating asset** must use the outage scheduling entry in the **Energy Trading System** to provide to the **ISO** the dates, times, durations, and impact to **MW** capability for any **scheduled generator outage** of that **generating asset**, and the specific nature of the **scheduled generator outage** work to be done on the **generating asset**, as well as designate the outage as “Derate-Planned” or “Outage-Planned”.
- (2) Each **pool participant** of a **generating asset** must comply with the following specific requirements when submitting either **forced outage** or **scheduled generator outage** information to the **ISO**:
  - (a) by the first (1<sup>st</sup>) day of every **month** subsequent to the date of **commissioning**, submit **scheduled generator outages** that are known or planned to occur at any time within the next twenty four (24) **months** after that **day**, with any subsequent revisions to the plans submitted to the **ISO** as soon as reasonably practical after the decision is made to change the plans, but in any event no later than three (3) **months** prior to the first **day** the **scheduled generator outage** is planned to commence;
  - (b) for **scheduled generator outages** that are known or planned to be required

Support  
 Oppose  
 No Comment

within the next three (3) **months** after the first (1<sup>st</sup>) **day** of a **month**, submit the plan as soon as reasonably practical if different than the plan referred to in Subsection (2) (a) above, but in any event no later than three (3) **days** of the decision being made by the **pool participant**, which submission must include a statement setting out the reasons that the new plan for the **scheduled generator outage** was not included in, or must vary from, the original Subsection (2) (a) submission;

- (c) for a **forced outage**, whether or not it requires the immediate removal of the **generating asset** from service:
  - (i) inform the **system controller** on a telephone line designated by the **ISO** which will contain a voice recording system; and
  - (ii) use the outage scheduling entry in the **Energy Trading System** to provide to the **ISO** the dates, times, durations, and impact to **MW** capability for the **forced outage** and designate the outage as “Derate-Forced” or “Outage-Forced”.
- (3) Provide to the **ISO** in writing a list of contact persons who will be involved in the planning of **scheduled generator outages**, and be in a position of authority to resolve with the **ISO** any issues or concerns regarding **scheduled generator outages** and **forced outages**.

### 5.2.2 Generating Unit Outage Information Confidentiality

Subject to Section 5.2.3 below, **scheduled generator outage** and related information submitted to the **ISO** under these **ISO rules** will be kept confidential by the **ISO** in accordance with **ISO rule 10.10** and the related **ISO** policies and procedures, except as otherwise required to be made public under any legislation, regulation or any other provision of the **ISO rules**, or to **WECC** under any applicable agreement provisions.

### 5.2.3 Aggregate Information Posting

<p>The <b>ISO</b> will post on its website and on an aggregate basis the <b>scheduled generator outage</b> information for all <b>generating assets</b>, in a manner that seeks to preserve the confidential nature of the subject matter and precludes the identification of any <b>owners</b>, or other directly affected <b>pool participants</b>.</p>	
<p><b>Reason for Stakeholder Positions:</b></p>	
<p><b>Alternate Proposal:</b></p>	
<p><b>5.3. Authority to Issue a Scheduled Generator Outage Cancellation Directive</b></p> <p>(1) Pursuant to subsection 18(1) of the <b>T-Reg</b> the <b>ISO</b> may issue a <b>directive</b> to a <b>pool participant</b> or <b>owner</b> of a <b>generating asset</b>, or both if different, to cancel a <b>scheduled generator outage</b> planned for that <b>generating asset</b> based on the <b>reliability</b> and <b>adequacy assessments</b> conducted under the provisions of Section 5.1 and under the specific circumstances and in accordance with the procedures set out in these <b>ISO rules</b>.</p> <p>(2) No <b>directive</b> canceling a <b>scheduled generator outage</b> will be issued by the <b>ISO</b> without the authorization of the Chief Executive Officer of the <b>ISO</b> or his designee.</p> <p><b>5.3.1 Scheduled Generator Outage Cancellation Procedure</b></p> <p>Prior to issuing a <b>directive</b> canceling a <b>scheduled generator outage</b>, the <b>ISO</b> must comply with the following procedures, in the following sequence:</p> <p>(1) The <b>ISO</b> will consider and analyze the results of the assessments undertaken in accordance with Section 5.1 above, and perform a further assessment of the status of all <b>generating assets</b> in Alberta based on all <b>scheduled generator outage</b> plans submitted by all <b>pool participants</b> under Section 5.2.1 above.</p> <p>(2) After completing the assessments, and taking in to account the total amount of <b>generating asset</b> capacity in Alberta which is planned for <b>scheduled generator</b></p>	<p><input type="checkbox"/> Support  <input checked="" type="checkbox"/> Oppose  <input type="checkbox"/> No Comment</p>

**outages**, if the **ISO** determines that there is a high probability of an **adequacy** or **reliability** shortfall then the **ISO** will notify **pool participants** on the **ISO** website of its determination.

- (3) The **ISO** will continue to conduct further situational analyses to seek to alleviate the potential **adequacy** or **reliability** shortfall and avoid the cancellation of any **scheduled generator outages**.
- (4) The **ISO** will post the determination referred to in subsection (2) above for a minimum period of one (1) calendar week, and in anticipation that certain **pool participants** of **generation assets** may have flexibility to voluntarily amend plans for **scheduled generator outages** to assist in the alleviation of the **adequacy** or **reliability** shortfall situation.
- (5) If the **ISO** notification and any resulting voluntary actions by **pool participants** referred to in subsection (4) above do not result in a reduction in the total amount of **generating asset** capacity planned for **scheduled generator outages** such that the forecast **adequacy** or **reliability** shortfall will be alleviated, then the **ISO** will contact individual **owners** of **generating assets** to request that **scheduled generator outage** plans be further reviewed.
- (6) If after completing the assessments and procedures set out in subsections (1) through (5) above the **ISO** determines that there remains:
  - (a) an immediate and unforecasted need on a short term basis for services provided by **generating assets** to maintain the necessary level of **reliability** or **adequacy**, as the case may be; and
  - (b) a high probability that the situation will not be alleviated in a voluntary manner:
    - (i) by the **pool participants** with **generating assets** amending or revising **scheduled generator outage** plans, or

(ii) through the ordinary course operation of the market;

then the **ISO**, after also taking in to account the factors set out in subsection (7) below, may issue a **directive** to a **pool participant** of a **generating asset** to cancel a **scheduled generator outage** planned for that **generating asset**, which cancellation must be on a date no sooner than ninety (90) **days** in advance of the first **day** of the period which has been determined to be the commencement of the **reliability** or **adequacy** shortfall.

- (7) The **ISO** must consider all of the following factors in its determination as to whether or not to issue a **directive** canceling a **scheduled generator outage** as contemplated in this Section 5.3.1:
- (a) The economic and operational consequences for the **owner** of **generating asset** and for any **pool participant** registered to transact the **generating asset**, if a different person;
  - (b) The operational and functional impact on the **generating asset** if the subject **scheduled generator outage** is cancelled;
  - (c) The effectiveness of canceling the subject **scheduled generator outage** in alleviating the **reliability** or **adequacy** shortfall;
  - (d) The historical frequency that a given **generating asset** has been the subject of **scheduled generator outage** cancellations, relative to other **generating assets** in Alberta;
  - (e) The length of time of, and reasons for, any **scheduled generator outage** as previously submitted to the **ISO** by the **pool participant** of the **generating asset** under the reporting requirements set out in these **ISO rules**;
  - (f) The extent to which the **scheduled generator outage** will begin or end during the period of the forecast **reliability** or **adequacy** shortfall;

- (g) Any requirements or material implications under or related to any applicable municipal, provincial or federal legislation or regulations, if the **ISO** proceeds to issue a **directive** to cancel a given **scheduled generator outage**;
- (h) The practicality and effectiveness of market-based solutions to alleviate the **reliability** or **adequacy** shortfall, including a consideration of **load** curtailment options.

### 5.3.2 Time Constrained Scheduled Generator Outage Cancellation

- (1) Notwithstanding the provisions of Section 5.3.1, if in the opinion of the **ISO** it is evident that immediate **reliability** or **adequacy** circumstances will not allow sufficient time to permit the **ISO** to comply with any or all of the procedures set out in that Section 5.3.1, then the **ISO** may dispense with any such procedures and proceed to issue a **directive** to the **pool participant** of a **generating asset** to cancel a **scheduled generator outage**.
- (2) In accordance with Section 5.3.3, the **ISO** will provide written reasons to the **owner** of the **generating asset** when the subject **scheduled generator outage** is cancelled under the circumstances set out in subsection (a) above.

### 5.3.3 Scheduled Generator Outage Cancellation Report

If the **ISO** issues a **directive** under this Section 5.3 to cancel a **scheduled generator outage** then the **ISO** must prepare a report and post it on the **ISO** website, which report will contain:

- (a) an explanation of the circumstances, background and chronological events that caused and are related to the issuance of the **directive** cancelling the **scheduled generator outage**;
- (b) the particulars of the **scheduled generator outage** that was cancelled, including date of cancellation, duration, and quantities (**MW**) affected;

<ul style="list-style-type: none"> <li>(c) any material market impacts known to the <b>ISO</b>;</li> <li>(d) whether the cancellation was a time and procedurally constrained one under Section 5.3.2, and the reasons for a decision to depart from any prescribed procedures set out in Section 5.3.1; and</li> <li>(e) any other matters that, in the <b>ISO's</b> opinion, will provide a full and complete explanation to all <b>market participants</b> of the decision taken.</li> </ul>	
<p><b><i>Reason for Stakeholder Positions:</i></b></p>	
<ul style="list-style-type: none"> <li>• Regarding the alternate proposal set out below for Section 5.3.1(5), IPPSA suggests that the AESO should not simply consider whether there has been a reduction in the total amount of scheduled outages, but should also consider whether the voluntary actions by all pool participants (including load) are such that the forecast adequacy or reliability shortfall situation will be alleviated. For instance, the forecasting to be undertaken by the AESO (as set out in Section 5.1 above), includes consideration of a variety of data, forecasts and information regarding load.</li> <li>• Regarding the alternate proposal set out below for Section 5.3.1(6)(a), the applicable stage of the process would only arise after a forecast has been undertaken by the ISO. Therefore, the phrase “and unforecasted [sic]” should be deleted.</li> </ul>	
<p><b><i>Alternate Proposal:</i></b></p>	
<ul style="list-style-type: none"> <li>• Replace Section 5.3.1(5) with: <ul style="list-style-type: none"> <li>If the <b>ISO</b> notification referenced in subsection (4) above and any resulting voluntary actions by <b>pool participants</b> do not result <i>in</i> the forecast <b>adequacy</b> or <b>reliability</b> shortfall <i>being</i> alleviated, then the <b>ISO</b> will contact <b>pool participants</b> to request that <b>scheduled generator outage and load</b> plans be further reviewed.</li> </ul> </li> <li>• In Section 5.3.1(6)(a), delete “and unforecasted [sic].”</li> </ul>	
<p><b>5.4 Payment Eligibility for Incremental Generation Costs, and Claim Limitations</b></p> <ul style="list-style-type: none"> <li>(1) The <b>pool participant</b> of a <b>generating asset</b> that has had a <b>scheduled generator</b></li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Support</li> <li><input checked="" type="checkbox"/> Oppose</li> <li><input type="checkbox"/> No Comment</li> </ul>

**outage** cancelled by a **directive** under these **ISO rules** is eligible for an **incremental generation costs** payment in accordance with the provisions and procedures of this Section 5.4.

- (2) Subject to subsection (7) below, the **ISO** must pay any **incremental generation costs** payment to the **pool participant** whose **scheduled generator outage** has been canceled by a **directive** from the **ISO** pursuant to Section 5.3.
- (3) Within forty (40) **business days** after the end of the **settlement period** related to the period during which the **directive** was effective , that **pool participant** must provide the **ISO** with a written statement which contains the details of the claim and calculation of **incremental generation costs** as incurred caused by the cancellation.
- (4) The **pool participant** must provide to the **ISO** any and all of the **pool participant's** own and third party supporting data, records, invoices, formulas, calculations, third party contract claims and related terms and conditions, and any other information or materials used to calculate or determine the amounts claimed in the statement, plus any other detail and information as may be reasonably requested by the **ISO** in order to verify the subject **incremental generation costs**, claims, calculations and particulars.
- (5) Once the submission and related materials are filed with the **ISO** and any information deficiencies have been met by the **pool participant**, the **ISO** approval of the compensation and settlement in respect of any **incremental generation costs** will occur on or before the fortieth (40<sup>th</sup>) **day** following the **day** of the receipt by the **ISO** of the last of any initial submission or deficiency materials.
- (6) If there is any dispute between a **pool participant** and the **ISO**, in respect of an **incremental generation cost** claim for compensation then the matter will be resolved in accordance with the provisions of **power pool** disputes **ISO rules** under Sections 8.5 b), 8.5 c), 8.5 d) and 8.5 e).
- (7) If the **pool participant** of a **generating asset** has been issued a **directive** to cancel a **scheduled generator outage** but is eligible for compensation for such cancellation

pursuant to the provisions of a **transmission must run** contract with the **ISO**, then the **pool participant** will not be eligible for **incremental generation cost** claims under this Section 5.4.

- (8) No **incremental generation cost** claim may include any additional liquidated or unliquidated costs, claims, damages, losses or expenses of any nature that may directly or indirectly arise or are incurred for any reason by the **owner** of the **generation asset** or any other person claiming through or against the **owner**, nor does it include any loss of profit, revenue, earnings, production or any other form of liquidated or unliquidated amount, and whether or not caused by or related to the inability of the **generating asset** to participate in the energy market as a result of the **directive** canceling the **scheduled generator outage**, or as a result of energy price changes caused by or related to the cancellation of the **scheduled generator outage**.

***Reason for Stakeholder Positions:***

- It is not possible to determine all costs incurred as a result of a cancelled outage, within 40 days of the directive. Final receipts may not be available until the end of the generator's next or rescheduled outage. The rescheduled outage may not occur or be completed within the 40 business days because of availability of labour or equipment, or other factors. Therefore, the process for submitting claims and detailed evidence in support of claims for "incremental generation costs" should not be arbitrarily and unfairly circumscribed in a manner that inherently limits appropriate and awardable claims. This issue was considered by the Commission in Proceeding ID. 31. As reflected in para. 222 of Decision 2008-137, the Commission made clear that it was unable to evaluate the 40 business day period proposed by the AESO until the AESO had provided a definition of "incremental generation costs". Now that the AESO has provided a definition of "incremental generation costs", it is apparent that the 40 business day limitation period proposed by the AESO is unworkable, for instance, with reference to the categories of "incremental generation costs" that are awardable under (b)(iii) and (iv) of the definition of "incremental generation costs" now proposed by the AESO (see page 2 of this comment matrix). As suggested in the alternate proposal below, while the pool participant should be required to provide as much information to the AESO as it reasonably can within the 40 business day period, the process must allow the pool participant to submit supplementary claims once the related information becomes known. Granting a reasonable opportunity to an affected generator to claim all "incremental generation costs" should be recognized as a modest and reasonable request, especially considering the absence of any time frame in Section 5.4(4) governing the AESO's request for further information.
- Section 5.4(8) is inconsistent with the definition of "incremental generation costs" submitted by the AESO to the Commission in

the LLTE Proceeding (see comments at outset of this matrix). Section 5.4(8) is also inconsistent with the conduct of the AESO in Proceeding ID. 33, for example, the Undertaking that it filed with the Commission on September 26, 2008 and the revised Appendix 7 that it also filed with the Commission, confirming its position that all incremental costs incurred as a result of a directive would be reimbursed, on the principle that generators complying with a directive should be kept whole. For instance, through the filings with the Commission in Proceeding ID. 33, the AESO deleted a portion of Appendix 7 that contained exclusions such as are now proposed again by the AESO in Section 5.4(8). Also, in Proceeding ID. 31, the AESO filed with the Commission similar revisions to similar rules. The AESO should act consistently and should not take inconsistent positions in this process as compared to the positions that it is currently advocating before the Commission. As a result, Section 5.4(8) should be deleted, so as not to alter the definition of “incremental generation costs” that the AESO is currently submitting for approval to the Commission.

***Alternate Proposal:***

- Replace Section 5.4(3) with:

Within forty (40) **business days** after the end of the **settlement period** related to the period during which the **directive** was effective, that **pool participant** must provide the **ISO** with a written statement which contains, *to the extent known or estimable by the pool participant*, the details of the claim and calculation of **incremental generation costs** incurred as a result of the cancellation, *and the estimated date by which any further incremental generation costs will become known by the pool participant*. *The pool participant must provide the ISO with one or more supplementary written statements in relation to any further incremental generation costs incurred as a result of the cancellation as soon as reasonably practicable and in any event no later than one (1) year after the end of the settlement period related to the period during directive was effective. The pool participant must include in its final supplementary statement (or, if there will be no supplementary statement submitted, then in its initial statement) an indication that no (or no further) supplementary statements will be provided.*

- Replace Section 5.4(4) with:

The **pool participant** must provide to the **ISO** any and all of the **pool participant's** own and third party supporting data, records, invoices, formulas, calculations, third party contract claims and related terms and conditions, and any other information or materials used to calculate or determine the amounts claimed in the statement *or any supplementary statements*, plus any other detail and information as may be reasonably requested by the **ISO** in order to verify the subject **incremental generation costs**, claims, calculations and particulars.

- Replace Section 5.4(5) with:

Once the *statement, any supplementary statements*, and related materials are filed with the **ISO** and any information deficiencies have been met by the **pool participant**, the **ISO** approval of the compensation and settlement in respect of any **incremental generation costs** will occur on or before the fortieth (40th) **day** following the day of the receipt by the **ISO** of the last of any *statement, supplementary statements*, or deficiency materials.

- Delete Section 5.4(8).

## 5.5 Forecast Dispatch Price

The **ISO** will use reasonable efforts to publish a **forecast dispatch price** for each **settlement interval** no later than seventy (70) minutes prior to the start of such **settlement interval**.

### 5.5.1 Determination of Forecast Dispatch Price

The **forecast dispatch price** for a **settlement interval** is the highest **forecast asset marginal price** of all **assets** forecast to be required to meet the forecast **load** requirement, using the expected **energy market merit order** for the **settlement interval** including **importer operating blocks** and the **ISO** expected import **ATC** for the **interconnections** for the **settlement interval**.

### 5.5.2 Determination of Forecast Asset Marginal Price

The **forecast asset marginal price** for a **pool participant's asset** for each **settlement interval** will be set at the price specified for the **price block** in the **pool participant's offer** or **bid** which corresponds to the forecast **energy market dispatch** level of the **asset** to meet the forecast **load** requirement.

Support  
 Oppose  
 No Comment

***Reason for Stakeholder Positions:***

***Alternate Proposal:***



**Section 8.1.1 Settlement at Pool Price**

The following subsection is added to the end of Section 8.1.1 “Settlement at Pool Price”:

The calculation of payment for **incremental generation costs** incurred due to the cancellation of a **scheduled generator outage** of a **generating asset** will be based on the information provided to the **ISO** by the **pool participants** in accordance with the provisions of Section 5.5.

**Section 8.4.2 Final Pool Statement**

*The following Subsection l) is added to the end of Section 8.4.2 “Final Pool Statement”*

**l) Incremental Generation Costs Due to Scheduled Generator Outage Cancellation**

The **ISO** may charge to all **pool participants** an **ISO fee** to recover the **incremental generation costs** paid under an approved claim by a **pool participant** who has been issued a **directive** to cancel a **scheduled generator outage** under Section 5. The contribution paid by a **pool participant** is determined by prorating the amount paid to settle the **incremental generation costs** claim over the total **energy consumption** of each **pool participant** during the **settlement intervals** in which the **incremental generation costs** were incurred. Such costs will be invoiced and discretely identified in the **pool statement**.

- Support
- Oppose
- No Comment

**Reason for Stakeholder Positions:**

**Alternate Proposal:**

Please return this form with your comments by Friday, October 30, 2009, to:

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