

Transmission Regulation, Section 18 - Rules

March 7, 2008

Reliable **Power**

Reliable **Markets**

Reliable **People**



T-Reg, Section 18 Requirements -



- “...make rules respecting directions it may give to the owner of a generating unit that is not operating or scheduled to operate for any reason, including as a result of a planned or forced outage, requiring that the generating unit operate, exchange electric energy or provide ancillary services, or be made available to operate, exchange electric energy or provide ancillary services...”
- “...make rules to implement a load curtailment priority plan which, in the event of a generation supply shortfall, will provide for the interruption of service to customers in a priority ranking...”
- Rules required by April 11, 2008

T-Reg Section 18 Interpretation -



1. AESO will direct units to change their outage where outage volumes exceed a threshold – 0 to 2 year timeframe.
2. AESO will direct *long lead time generating assets* in (close to) real time if OPP 705 threshold is exceeded.
3. Load Curtailment Priority Plan managed through OPPs – expanded later through demand response initiatives.

Section 18 Rules, History -



- Electricity Policy Framework issued June 2005
- Transmission Regulation AR 86/2007 created April 07
- Recommendation Paper issued in December 07
- Comments received in January 08
- Sub-committee formed in January to discuss possible approaches
- Draft rules posted to AESO website February 27, 2008

Outage Coordination Rules - Methodology



- – Escalation process (rule 5)
 - Threshold determination will be set out in OPP 606
 - Will follow current process – considers participant submitted planned outages, forced outages, interties, reserves, demand response
 - Participants notified through the AESO website if outage volumes exceed an acceptable threshold during any period while discussion and analysis continue within the AESO
 - Contact individual participants to request that outage plans be reviewed, if the web posting did not result in an acceptable threshold.
 - Direct the generating asset owner to reschedule or cancel an outage if request did not result in an acceptable threshold.

Continued...

Outage Coordination Rules - Methodology



- Escalation process (rule 5)
 - Outages may not be accepted if scheduled with less than three months notice
 - AESO may shorten escalation procedure if time is short

Outage Coordination Rules - Methodology



- Compensation
 - Direct costs related to the re-scheduling of the unit. Included are so-called “crew and crane” costs and demonstrable contract costs such as penalties.
 - Not included – fixed cost contribution and lost opportunity
 - Disputes resolved through ISO rule 11.

Reliability Unit Commitment Rules Methodology -



- Directing long lead time generating assets (rule 6.3.5)
 - Not intended to apply to base load units
 - Use OPP 705 to provide Supply Adequacy Report
 - Will follow current process – considers participant forced outages, interties, reserves, demand response
 - Supply Adequacy Report should indicate when we will take action, e.g., Red Square triggers RUC
 - Relies on an accurate OPP-705

Reliability Unit Commitment Rules Methodology -



- Directing long lead time generating assets (rule 6.3.5)
 - SC will direct long lead time generating assets
 - Must comply with directive
 - May offer into the market after receiving a directive but must comply with directive and applicable rules and become ineligible for compensation other than pool receipts for energy produced.

Reliability Unit Commitment Rules Methodology -



- RUC – Compensation
 - Eligible for their start up and variable costs associated with being directed on - less pool receipts.
 - Not included - fixed costs or lost opportunity
- Use DDS to negate the price impact of minimum stable generation that is on the system before the RUC is required.
 - Current DDS methodology applies
 - 3 Other Options considered – i) do nothing, ii) set price at cap, iii) set the price at the reference price
- Disputes resolved through ISO rule 11.

Section 18 Rules - Reporting



- Public report to be provided when outages re-scheduled or a Long Lead Time Energy Directive is issued.
- Will include:
 - Identity of affected pool participants
 - Identity of affected generating assets
 - Compensation requested by affected pool participants
 - Compensation offered by ISO
 - Relevant circumstances and sequence of events

Section 18 Rules – Next Steps



- Comments due back to AESO by March 19, 2008
- Present to ERC April 3, 2008
- File with AUC April 10, 2008