AESO Stakeholder Session
Market Services

Acceptable Operational Reason
Discussion Paper
• Acceptable Operational Reason (AOR) is a key definition that plays a central role with respect to generating facility owners offering energy to the market. AOR is referenced by and is linked to other important ISO rules. As such, the AESO has initiated a review of the definition.

• The goal of this review is to:
  – Clarifying (not change) the intent of the AOR definition
  – Review AOR in the context of dealing with the physical operation of a pool asset
  – Propose new options for aligning the definition’s process requirements to standard AESO Practices
Acceptable Operational Reason

• a circumstance related to the operation of the generating asset which if it operated could reasonably be expected to affect the safety of the generating asset, the environment, personnel working at the generating asset or the public

• re-positioning an asset within the energy market due to the need to meet a dispatch given to that asset from the system controller to serve the stand-by ancillary services market

• re-positioning a generating asset within the energy market to manage physical or operational constraints associated with the asset
Acceptable Operational Reason

- re-positioning an importer’s or exporter’s asset within the energy market to manage physical or operational constraints associated with an interconnection or a neighbouring balancing authority

- a circumstance directly resulting in the generating asset not being capable of operation, which circumstance was solely caused by an occurrence of force majeure

- re-positioning a generating asset for electric energy that is:
  - produced on the property of which a person is the owner or a tenant
  - consumed solely by that person and solely on that property
Reference Materials

- Section 203.1 of the ISO rules, Offers and Bids for Energy
- Section 203.3 of the ISO rules, Energy Restatements
- Section 204.3 of the ISO rules, Dispatch Down Service
- AESO Glossary definitions
- The Pool Participant Manual for the AESO Energy Trading System
- Input and feedback from pool participants
Background

• Alberta Electricity Policy Framework (2005)
  – Recommendations for the energy-only market
  – Introduced the concept of offering maximum capability and restatements

• Quick Hits (2007)
  – Package of ISO Rules
  – Introduced the AOR definition
  – Included were the maximum capability (MC), available capability (AC), and restatement requirements
Summary of the AOR Discussion Paper

• Issued on December 20, 2012
  – Found on the AESO website at: www.aeso.ca/market/27843.html

• Attached Comment Matrix
  – We are looking for comment from pool participants regarding their use of AOR and whether the intent of AOR is captured in its wording
  – Comments due on January 31, 2013
Areas of the Market Impacted by AOR

• AC not equal to MC
  – AORs are required any time AC does not equal MC

• Energy Restatements
  – AC Restatements: changing AC requires an AOR
  – Price restatements: locked within T-2, otherwise and AOR is not required
  – MW Restatements: AORs are required within T-2
  – Changes made to MSG: changing MSG required and AOR

• MW restatements for DDS
  – AORs must accompany a MW restatement within T-2 in the DDS market
The AESO currently has an information document (ID) to clarify several aspects of AOR. The ID clarifies 4 scenarios:

- Restatements for operating reserves
- Restatements for operating constraints
- Asset minimum on/off times
- Generating units capable of duel/secondary fuels

The AESO is seeking comment from pool participants about whether wording in the ID can be adopted into the definition.
Transitioning the AOR definition

- The AESO is considering transitioning the AOR definition under the Glossary into an ISO rule under Part 200 of the ISO rules: Markets
  - Driven by the recognition that AOR is a concept with processes and requirements generally outside the scope of a standard definition
- Compliance activities will continue either way. AOR will continue to be an authoritative document whether it is a definition or ISO rule
- The change would better align the practical usage of the current AOR to an ISO rule that can provide the necessary clarity
Revising AOR

• The AOR Discussion Paper highlights three reasons for moving the definition into an ISO rule format:
  – AOR requirements are heavily process oriented and documenting these processes may prove beneficial to market participants for the sake of clarity. This would be more easily done in an ISO rule.
  – The AESO is contemplating moving some of the language in the AOR ID into an authoritative document and that document could be a new AOR ISO rule.
  – AORs may need to change in the future to adapt to an evolving market and changing an ISO rule made specific to AOR may be easier than trying to make changes to the definition.
    • Example: a changing mix in generation and introduction of new asset types that may require an expansion of AOR.
Next Steps

• Stakeholder comments on the Discussion Paper and AESO responses posted to the AESO website

• Recommendation Paper published for stakeholder feedback

• Stakeholder responses to the Recommendation Paper posted to the AESO website

• Implementation of the final recommendations (e.g. ISO rules development and filings, as applicable)
Thank you

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AESO Stakeholder Session
Market Services

Customer Service Initiative
AESO Customer Service Initiative

- Market Services
- Stakeholder Presentation – January 24, 2013
Scope of Presentation

• **Why** - The need for a Customer Service Initiative (CSI)

• **What** - What is the initiative – objectives

• **How and When** - Roadmap and timelines

• **Question and Answer**
Reflections on our Customer Service

Feedback from the customers

“Our projects take a long time to turn-around”

“We get inconsistent replies to our questions”

“We’re not sure who we should be talking to”

“The AESO’s staff lack decision-making authority”

Team discussions at workshops

Efficiency
Expectations
Policies and Procedures
Roles and Responsibilities
How Will This Strategy Benefit You?

Initiatives in this strategy are designed to:

• Address issues raised by you in customer surveys
• Approach customer service holistically (People, Processes, Tools, Culture)
• Improve satisfaction with our service levels
  — Meet established delivery targets
  — Shorten turn-around times
  — Clear and consistent messaging
  — Better contact points
  — Better intelligence sharing
• Make internal changes that will improve access to information and improve our efficiency
• Continue to enhance working relationships between the AESO and the industry
• Continue to develop mutual trust and understanding
The Progress

- A successful Phase 1 of Customer Service strategy
  - AESO listened to feedback from customer service survey
  - Reduced connection assessment timelines – goal is to reduce it to 24 months
  - A robust Project Delivery Team

- Multi-year enterprise-wide strategy we are undertaking now can be considered Phase 2
  - Holistic approach
  - Coordinated and collaborative
  - Steady pace
Phase 2 – The Objectives

• Working towards developing and implementing a multi-year enterprise-wide customer service strategy:
  – Involvement from all AESO business units
  – Coordinated and collaborative approach
  – Developing an effective, efficient, and practical multi-year enterprise-wide strategy

• Our approach is to ensure we are effectively managing existing resources first

• Any new resource requirements will be identified through effective business cases
What do we expect to achieve?

• **Bottom-line** – Imbed customer service as part of the AESO culture

• AESO will:
  • Have a great reputation among customers and employees for customer service
  • Have the right tools, knowledge and training to deliver excellent customer service
  • Have well-defined roles for employees who will be responsible and accountable for decisions made on behalf of customers
Customer Service Model – A Holistic Approach

Diagram:

1. Objectives, Goals & Strategies
   - Mandate / Mission
   - Governance & Risk Mgmt

2. Structure, Capacity & Capability
   - Culture
   - AESO Principles

3. Leadership
4. Employee Engagement

5. Customer Service & Experience

6. Effective & Efficient Organizational Performance
The Collaborative Process

Corporate Goals

Executive Inputs

Committee Work – Customer Service Standing Committee

Stakeholder input from surveys

Risk Assessment

Industry Best Practices

Customer Service Models

Emerging Technologies

CSI

AEO Business Processes

Workshops

Stakeholder Consultation

Roadmap
## What we accomplished in 2012

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<th>Item</th>
<th>Milestones</th>
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| 1.   | Governance Structure for Project  
|      | • Working Committee  
|      | • Steering Committee |
| 2.   | Project Charter approval by VP – Market Services (Executive Sponsor)  
|      | • Comprehensive charter, established through a collaborative process, in place |
| 3.   | Historical Scan - current state of customer service at the AESO  
|      | • Results from previous surveys  
|      | • Discussions at the Committee level |
| 4.   | Market research on best practices in various industries and ISOs/RTOs  
|      | • Participation in customer services conferences by AESO staff  
|      | • Survey conducted through the ISO/RTO Council |
| 5.   | Internal Workshop - Risk assessment process by the AESO’s Controls and Audits group  
|      | • 2 separate sessions – Session 1: Risk Identification, Risk Validation, and Existing Controls; Session 2: Risk Assessment |
### What we accomplished in 2012 (con’t)

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| 6.   | **Focus group interviews – Executives and Directors**  
|      | • **Target audience identified**  
|      | • 26 interviews were conducted  
|      | • Interviewed a cross-section of Directors and members of senior management |
| 7.   | **Internal Workshop – Establish end state, performance standards and draft roadmap**  
|      | • 2 Day workshop conducted by an external facilitator  
|      | • Spacing between days with assignments for participants |
| 8.   | **Development of Discussion Paper on the proposed roadmap**  
|      | • Roadmap will be enterprise-wide and a multi-year approach – practical, effective, and efficient |
| 9.   | **Development of a customer service baseline for the AESO**  
|      | • To be used to benchmark the AESO in the coming years through customer surveys |
| 10.  | **Finalization of multi-year enterprise-wide strategy** |
An 8-point strategy was developed (defines new approaches):

1. Create a formal strategy to define the business value of customer service
   - Finalize roadmap
   - Identify value to individual business units

2. Establish a Customer Service Standing Committee to define service standards and processes
   - An AESO – Industry partnership committee

3. Create definitions for customer and service; create customer profiles for internal usage
   - Establish customer expectations

4. Establish customer service roles and responsibilities
   - Transaction map for customer touch-points, process-flows, and hand-offs
5. Establish internal service level agreements between business units
   • Develop service level standards and expectations between internal business units

6. Implement technologies, where appropriate, to help fulfill on the customer service promise
   • Develop a technology plan on how we can better our interactions with customers

7. Train staff and educate customers about the AESO’s services, how services are delivered and how the AESO delivers on its customer service promise
   • Deliver continuous internal and external training
   • Common corporate Customer Service approach

8. Appropriate incentives and rewards for the provision of excellent customer service
   • Establish customer service as a competency for all AESO staff
1. Create a formal business case
2. Establish a Customer Service Standing Committee
3. Create customer definitions and profiles
4. Establish roles and responsibilities
5. Establish internal service level agreements (ISLAs)
6. Implement supporting technologies
7. Provide service training
8. Establish incentives and rewards
How Will This Strategy Benefit You?

• Initiatives in this strategy are designed to:
  – Address issues raised by you during our customer surveys
  – Approach customer service holistically (People, Processes, Tools, Culture)
  – Improve satisfaction with our service levels
    • Meet established delivery targets
    • Shorten turn-around times
    • Clear and consistent messaging
    • Better contact points
    • Better intelligence sharing
  – Make internal changes that will improve access to information and improve our efficiency
  – Continue to develop working relationships between the AESO and the industry
  – Continue to develop mutual trust and understanding
How Can YOU Support Us?

• Support for the initiative
  – We are serious about achieving excellent customer service levels but need your support to get there!
  – Work together on expectations and outcomes

• Participation on the Customer Service Standing Committee
  – Active participation at the Executive Level
  – Regular review of AESO’s implementation of the multi-year strategy
  – Continuous feedback as the initiative moves towards its objectives – offering course correction solutions as required
  – Interface between the industry and AESO for customer service
  – Enable the tenets of a learning organization

• Collaborative and coordinated approach
Questions?
Thank you!