

## AESO Discussion Paper – Intertie Framework Stakeholder Comment Matrix

Section	Feedback Requested	Stakeholder Response
<b>4.0 Policy Coherence</b>	The AESO is interested in feedback on the principles for alignment of interties into the Alberta market and larger interconnected marketplace. The AESO is also interested in the order priority that should be given to the principles given there would be likely tradeoffs between principles.	<p>The order should be as listed below:</p> <ol style="list-style-type: none"> <li>1. <b>Reducing barriers</b> to get into and out of the market should be top priority. This is why adding transmission products should be avoided because it only causes more seams.</li> <li>2. <b>Dispatch Through EMMO</b>. Allowing interties to set price will eliminate the need for different products and solve a lot of the seams issues.</li> <li>3. <b>Manage Seams</b>. Reducing or eliminating seams so that import/export can become an integral part of the market and market participants are not discouraged from participating on the interties due to too many complicated rules and procedures.</li> <li>4. <b>Restoration of Interties</b>. This is a high priority but since it is an issue that will take a long time to resolve it should be ranked lower.</li> <li>5. <b>Level playing field for imports, etc</b>. This should actually avoided. Imports and generation are not the same so why is all this effort made to try and treat them the same. Provisions are made that differentiate between types of generation so why can't imports and generation be treated differently.</li> <li>6. <b>Legislation &amp; Policy</b>. The legislation and policy should not be the drivers of how a market is developed. A fair and efficient market needs to be developed and the legislation and policies should support it.</li> </ol>
<b>5.0 Intertie Framework</b>	The AESO is interested in feedback on the intertie framework and the decisions identified.	

<p><b>5.1 Real-Time Dispatch/ Scheduling</b></p>	<p>The AESO is interested in stakeholder comment to the following questions:</p> <ol style="list-style-type: none"> <li>1 Should the AESO adopt real-time dispatch and scheduling on the interties and what are the impacts to market participants?</li> <li>2 If yes, should the AESO do so through dynamic schedules, intra-hour scheduling every 5 minutes or by using the existing scheduling process in real-time?</li> <li>3 Should the AESO again explore a dispatch up/down service or system market product on the interties as a substitute to real time dispatch and what are the suggested designs?</li> <li>4 Do stakeholders interpret policy to permit for a bi-lateral market?</li> </ol>	<ol style="list-style-type: none"> <li>1. Real time dispatch is a viable idea except that it will take much too long work out all the details with numerous other Transmission owners and control areas. It wouldn't be fair to offer real time dispatch for schedules coming from adjacent control areas and not for all the possible source or sink control areas. This would mean working out real time dispatch policies with all of WECC and even several areas in the eastern interconnection such as MISO, IESO and PJM.</li> <li>2. See No. 1</li> <li>3. Yes. This seems to be the most viable option and can be achieved by changing market rules without having any affect on jurisdictions outside of Alberta.</li> <li>4. No. Bi-lateral markets for DDS don't offer a level playing field for entities that don not have generation in Alberta. This would add another level of risk that importers/exporters may not be willing to endure along with all the other risks that are inherent with participating on the interties. The dispatch down service should be managed through the EMMO.</li> </ol>
<p><b>5.2 Transmission Rights - Policy</b></p>	<p>The AESO is interested in stakeholder comment as to whether current policy permits the assignment of transmission rights to ATC and whether interties should be treated by the same rules as internal generators and loads.</p>	<p>In the case of a new tie line causing a competition for ATC with an existing tie line, the same policy should be used as if they were a generator or load. If the policy for a generator is to apply a RAS to the new generator then this policy should apply for the tie line as well. The AESO should proceed with upgrades as quickly as possible to allow maximum use of all available tie lines once they are in service. The practice of giving the ATC to the first tag to be queued needs to be stopped because it gives an unfair advantage to adjacent control areas that have the minimum number of counterparties to deal with.</p>
<p><b>5.3 Product Priority</b></p>	<p>The AESO is interested to stakeholder comment to the following questions:</p> <ol style="list-style-type: none"> <li>1 What would be objectives of a new product on top of an opportunity transmission product to import and export customers?</li> </ol>	<ol style="list-style-type: none"> <li>1 Any new products would just add to the seams issues with adjacent control areas and add more risk to an importers portfolio.</li> <li>2 No new products should be added.</li> <li>3 ATC priority should be based on market bid/offer prices.</li> </ol>

	<p>2 What would be the design options of a new product (see appendix A for assistance)?</p> <p>3 Should ATC priority be assigned by tariff/commercial product?</p> <p>4 Would an auction to different products be preferred and what would be the design of that auction methodology?</p>	<p>4 No, an auction is not preferable.</p>
<p><b>5.4 ATC Allocation Tiebreaker</b></p>	<p>The AESO is interested in stakeholder comment to the following questions:</p> <p>1 Should the AESO adopt a pro-rata solution instead of LIFO as a tie breaker?</p> <p>2 If pro-rata is used, how should it be calculated?</p> <p>3 If LIFO is used, should the AESO use LIFO at xx:yy or only approve up to the system ATC?</p> <p>4 What time xx:yy should be used in curtailment to maximize utilization of the ATC and provide maximum flexibility to participants and transmission operators?</p> <p>5 What differences in application may be required for import as opposed to export transactions?</p> <p>6 What other design options are there for considering ATC allocation tiebreakers?</p>	<p>1 A pro rata solution should be used. LIFO gives an unfair advantage to participants with generation in adjacent jurisdictions.</p> <p>2 Based on “in merit” offers from all scheduling participants.</p> <p>3 Do not use LIFO.</p> <p>4 Curtailment times should line up with the AESO rules regarding scheduling imports/exports. EI: T- 2 hours. If MP’s need to have their offers/bids in by T-2, they should know soon after that if they have been dispatched so that arrangements can be made with other counterparties.</p> <p>5 None</p> <p>6 In merit Bid/Offer prices.</p>
<b>D</b>		
<p><b>7.0 Next Steps</b></p>	<p>The AESO is interested in stakeholder comment on the AESO’s next steps.</p>	<p>Both the time lines in the next steps section seem reasonable but they need to be adhered to strictly.</p>

The following table can be used as a guide to proposing tariff product design. Please fill out the suggested design detail as per the characteristic. You may suggest new characteristics.

Characteristic	Proposed Product Design
<b>I1 Legislated Requirements</b>	
I1a Planning	
I1b Recovery of connection costs	
I1c Recovery of system costs	
I1d Losses	
<b>I2 Currently-Approved Tariff Provisions</b>	
I2a Bulk system charge	
I2b Local system charge	
I2c Point of Delivery (POD) charge	
I2d Operating reserve charge	
I2e Loss charges	
I2f Voltage control (TMR) charge	
I2g Other system support charge	
I2h Take or pay provisions	
I2i Transaction fees	
I2j Construction contribution/ Interconnection Costs	
I2k Generator system contribution	
I2l Contract term	
<b>I3 Other Considerations</b>	
I3a Conceptual basis	

<b>Characteristic</b>	<b>Proposed Product Design</b>
I3b Market access	
I3c System planned to accommodate	
I3d Curtailment for capacity limitations	
I3e Price offers/bids	
I3f Supply surplus/shortfall conditions	
I3g Market Obligations	