

Appendix B

AESO Recommendation Paper - Operating Reserve Market Redesign Stakeholder Comment Matrix

Section	Subsection	Stakeholder Response
3.1 Market Framework	3.1.1 Create a single trading platform to concentrate liquidity and establish more meaningful OR price indices	Northstone sees value in a single trading platform. We do not support the current system where certain traders submit very high offers knowing that other traders with more reasonable offers along with the equilibrium system will be beneficial to them.
	3.1.2 Minimize AESO influence - submit bid volume requirements in auction format	Northstone agrees
	3.1.3 Minimize AESO influence - D-1 auctions	Northstone currently prefers the week ahead market as it allows us to better schedule our operators. If we were able to secure OR volumes on a regular basis on D-1 auctions then we would support this change.
3.2 Market Products and Pricing	3.2.1 Add to the suite of D-1 OR products	The addition should be positive
	3.2.2 Continue to use On/Off peak products instead of hourly products	We strongly agree using on/off peak products but our preference is for HE 23 to be classified as off peak and possibly HE7 be classified as on peak. Based on our trading experience the demand for power and corresponding pool prices always drops for HE 23 therefore we don't see the logic to include this hour as on peak plus this change would be beneficial to our operators schedule.
	3.2.3 OR indexed to pool price, marginal	

	pricing for homogenous products and pay as offered for non-homogenous products	
	3.2.4 OR market price cap equal to energy market price cap	Agree
3.3 Procurement Process and Timing	3.3.1 Apply selling logic for profile and non-standard offers	Agree
	3.3.2 A reasonable procurement schedule	We support 10 -20 minutes between market closes
	3.3.3 Fix market closes and create price discovery	Agree but stress that emphasis should be placed on price discovery and the AESO needs to monitor the process to ensure price discovery is working as intended
3.4 Market Participation and Obligations	3.4.1 No must offer requirement	Agree with AESO recommendation
	3.4.2 Remove virtual units	N/A
	3.4.3 Standing offers facilitated by blind offers	See comments for 3.3.3
	3.4.4 5MW minimum blocks	Strongly agree with the recommendation.
	3.4.5 No limitations around price/quantity pairs	Agree
	3.4.6 Allow for flexible and inflexible offers in most cases	Agree

	3.4.7 Inter-ties participation unaffected	
	3.4.8 Dealing with conflicting ancillary service obligations	As hard as we try Northstone is unable to obtain new TMR contracts therefore N/A
3.5 Dispatching and Technical Terms	3.5.1 All active OR providers dispatched. Standby providers dispatched as needed	Agree
	3.5.2 Technical Standards process unchanged	Agree
	3.5.3 Testing	N/A
3.6 Multiple Buyers	3.6.1 Facilitate Self Supply by financial arrangements	Agree
	3.6.2 AESO facilitate third party asset substitution	Agree
3.7 Out of Market Actions	3.7.1 Exhaust market solutions prior to conscripting OR providers	Agree
	3.7.2 Process required for conscripting OR providers	Agree
	3.7.3 Consult on market suspension process and rule	Agree
3.8 Compliance and Market	3.8.1 Remove perverse incentives, provide clarity around acceptable/unacceptable	Agree

Integrity	behaviour and potential consequences	
	3.8.2 Continue to use force majeure definition in NGX Agreement	Agree
	3.8.3 Improve transparency of OR providers	Strongly agree
3.9 OR Market in ISO Rules and Contractual Items	3.9.1 Documentation of OR Rules	Agree
	3.9.2 Amendments to the NGX and Over the Counter (OTC) Agreement	N/A
	3.9.3 OTC Agreement	Agree
4.0 Policy Coherence		
5.0 Consultation and Implementation Process	5.1 Implementation of Administrative Improvements to NGX	
6.0 Post Implementation Process	6.1 Post implementation review	
	6.2 Phase II	Northstone has not considered Phase II until the post implementation review of Phase 1 is complete

