

# Stakeholder Comment Matrix: Supply Surplus Discussion Paper, April 29, 2010

## Stakeholder: Suncor

Section	Subsection	Stakeholder Comment
<p><b>2.0 Purpose</b> <b>3.0 Introduction</b></p>		<p>As reflected in the “Market Initiatives” stakeholder session held on May 27, 2010, there were concerns raised about the meaning of a “short term” vs. a “long term” solution. Suncor’s recommendation is that anything which is classified as “short term” should be considered experimental / a pilot project with specified start and end dates. When the AESO proposes to formally adopt the short term solution as a long term solution, stakeholders should be re-consulted to review lessons learned from the implementation of the pilot project. The AESO should make a clear commitment in regards to this recommendation.</p>
<p><b>4.0 Supply Surplus Principles</b></p>	<ul style="list-style-type: none"> <li>• Are there any principles that are missing, that should be included? Please include reasons why.</li> <li>• Are there any principles listed that should not be included? Please include reasons why.</li> </ul>	<p>Suncor agrees with most of the principles listed in the Supply Surplus paper except for “Impact on neighboring jurisdictions should be minimal”. <b>It is Suncor’s opinion that until the interties are decongested to allow export, which would relieve supply surplus scenarios, that imports should be 100% curtailed in the scheduling hour and current hour prior to all inter-Alberta generators.</b></p>
<p><b>5.0 Supply Surplus Conditions – contributing factors</b></p>	<p><b>5.1 Historical Analysis</b> <b>5.2 Upcoming Considerations</b></p> <ul style="list-style-type: none"> <li>• Are there any other factors that are not mentioned or considered in the paper that may contribute to or exacerbate supply surplus conditions? Please include reasons why.</li> </ul>	<p>As stated in Section 5.2: The AESO System Controller (SC) manages supply-demand balance on a continuous basis considering load forecasts, operating uncertainties (i.e. unit de-rates, outages, and load variations) using current rules, policies, and procedures. When wind suddenly ramps up or down, generating resources (predominately coal, gas, or hydro-electric) must be immediately dispatched to offset the imbalance.</p> <p>Suncor agrees that there will always be specific limitations and operational uncertainties at any given time on the AIES. It is Suncor’s recommendation that these uncertainties should be better managed by</p>

		utilizing more precise forecasting techniques, by investing in infrastructure to decrease congestion, both internally and at the interties, and by developing a broader set of market based, system services (e.g. incremental ancillary services) that can be employed to manage supply surplus situations and wind ramp up and down rates.
<b>6.0 Current Supply Surplus Rules</b>	<b>6.1 Market Participation Rules</b> <ul style="list-style-type: none"> <li>Please provide comments on the rule assessment.</li> </ul>	Suncor supports the prorata application of generation curtailment as described in section 6.1.1 and also primarily agrees with the Rule Assessment provided in 6.2.2, that ...."it may be more appropriate to include it [the curtailment of flexible and non-flexible generators together] as Step 1, and updating the step to reflect all assets (flexible and non-flexible blocks)."
	<b>6.2 Operating Policies and Procedures</b> <ul style="list-style-type: none"> <li>Please provide comments on the rule assessment.</li> </ul>	<ol style="list-style-type: none"> <li>1) Related to section 6.2.3, Suncor is suggesting that import interchange transactions should be should be 100% curtailed within the scheduling hour prior to flexible and inflexible blocks being curtailed. In the situation where supply surplus occurs within the current hour, Suncor agrees that intertie imports should be 100% curtailed as the first step and prior to the prorata curtailment of inflexible and flexible generation.</li> <li>2) <b>Section titled: "Exemptions under the current OPP 103"</b>. Suncor does not agree with removing the current exemption for wind and cogenerators in OPP 103. Within the Suncor ISD, power that is created is normally produced to meet steam requirements and oil production. This means that megawatts curtailed can directly impact the production of oil. This impacts Suncor's rights assigned under its Industrial System Designation.  Concerning the removal of wind from the OPP 103 exemption, Suncor is recommending that more time is required to refine wind forecasts, refine wind technical standards and to make improvements to wind technologies before the exemption is removed. This would give the system and wind generators time to respond with the appropriate technologies and market solutions to ensure that supply surplus is managed. In the meantime, Alberta can enjoy the environmental benefits of wind and contributing to the development of renewable technologies.</li> </ol>

		<p>Further, Suncor recommends that more investment is required in intertie congestion to free up capacity for exports.</p> <p>3) Concerning section d) and the following statement:  Import interchange transactions within the scheduling hour are deemed to be inflexible blocks and will be curtailed, if required, before directing assets with inflexible \$0 offers to their minimum stable generation levels when system supply exceeds demand and consists of only \$0 offers.</p> <p>Suncor recommends that import interchange transactions (considered opportunity services) should be 100% curtailed within the scheduling hour prior to flexible and inflexible blocks being curtailed. Suncor also recommends that in the situation where supply surplus occurs within the current hour, that intertie imports should be 100% curtailed as the first step and that step should occur prior to the prorata curtailment of inflexible and flexible generation.</p>
<p><b>7.0 Supply Surplus Workgroup results</b></p>		<p>1) <u>Suncor comment on statement 2</u>: MOL should be treated equal to MSG generators, in that generators would not be asked to reduce below their stated MOL. Suncor considers MOL to be equal to MSG. Additionally, Suncor would like to have the chance to review the workgroup results and definitions of MOL. This was not provided as part of this discussion paper and Suncor is unable to locate the workgroup definition (described to be in Appendix A).</p> <p>2) As related to Step 3, Suncor recommends that a DTS ratchet be waived in a Supply Surplus scenario for generator(s) and their associated loads who are asked to curtail energy. The AESO Tariff should be revised to reflect this scenario and allow the forgiveness of a ratchet.</p>
<p><b>8.0 Comments on MOF Recommendation paper for Wind</b></p>		<p>Suncor supports the expansion of the MSG definition to include the suggested MOL aspects, as seen in section 7.</p>

<b>8.1 Minimum Operating Level and Minimum Stable Generation</b>	<ul style="list-style-type: none"> <li>Is it appropriate to implement MOL when we already have MSG? Please provide reasons why or why not.</li> <li>Please provide comments on possible modifications to the existing MSG definition and its' application.</li> </ul>	<p>Suncor does not have enough information to support the implementation of MOL. This requires more stakeholder discussion and review.</p>
<b>9.0 Supply Surplus Rule Options</b>		<p>See attached (Appendix A). This is Suncor's stakeholder comments provided on the "Short – Term Wind Integration" discussion paper, released on May 7, 2010. Suncor has submitted its comments to Kris Aksomitis and has attached these comments.</p>
<b>9.1 Long Term Options</b>		
	<b>9.1.1 Market rules for wind generation</b>	<p>See attached (Appendix A). This is Suncor's stakeholder comments provided on the "Short – Term Wind Integration" discussion paper, released on May 7, 2010. Suncor has submitted its comments to Kris Aksomitis and has attached these comments.</p>
	<b>9.1.2 Voluntary Generator Curtailment Program (VGCP)</b>	<p>Suncor supports the implementation of a VGC Program</p>
	<b>9.1.3 Negative Prices</b>	<p>Suncor agrees that negative pricing is not a viable market option at this time and that the AESO should try to define more viable market solutions to address supply surplus market conditions.</p>
<b>9.2 Short Term Options</b>	<ul style="list-style-type: none"> <li>The paper provides an example of a supply surplus management procedure within this section. Please provide comments on suggested order of the procedure.</li> </ul>	<p>Suncor is recommending the following supply surplus management procedure:</p> <ol style="list-style-type: none"> <li>1) Remove congestion (increase ATC) at interties to accommodate more exports</li> <li>2) Cut dispatch levels to those stated by market participant with respect to revised Rule 6.6</li> <li>3) Employ VGCR Program</li> <li>4) Curtail imports 100% in the scheduled and current hour</li> <li>5) Curtail flexible generators prorata</li> <li>6) Curtail inflexible generators prorata</li> </ol> <p><u>If the above does not work and the system is still at risk:</u></p> <ol style="list-style-type: none"> <li>7) Curtail wind generation to MSG level prorata across wind farms</li> </ol>

		8) Curtail ISD generation to MSG level prorata across ISDs  <b>Suncor would like to reassert that Supply Surplus management strategies should only cover scenarios where the problem is system wide and not a local or regional issue of surplus.</b>
	<b>No exemption for wind generators under OPP 103</b> <ul style="list-style-type: none"> <li>Are there any points that the AESO has not considered within it's assessment in Table 3?</li> </ul>	Disagree with having "no exemption for wind generators under OPP 103"
	<b>No exemption for co-generators under OPP 103</b> <ul style="list-style-type: none"> <li>Are there any points that the AESO has not considered within it's assessment in Table 3?</li> </ul>	Disagree with having "no exemption for cogenerators under OPP 103"
	<b>Voluntary Generator Curtailment Request</b> <ul style="list-style-type: none"> <li>If VGCR is implemented, and included as a step in the supply surplus procedures, please provide comments on whether participants would respond to such a request.</li> </ul>	Suncor would need to further consider participation in this program for times when dispatching down will not result in steam impacts.
	<b>Exports within T-2</b> <ul style="list-style-type: none"> <li>Are there any points that the AESO has not considered within it's assessment in Table 3?</li> <li>If exports were permitted within the current hour or within T-2 under supply surplus protocols, please provide comments on whether participants could use this service during such times.</li> </ul>	Suncor supports the removal of congestion at the interties to accommodate improved import and export levels in normal operations. These upgrades are long overdue and would allow the SC to better manage supply surplus scenerios.
<b>10.0 Reporting</b>	<ul style="list-style-type: none"> <li>Please provide comments on the report provisions</li> </ul>	Agree with this provision
<b>11.0 Policy</b>		No comment
<b>12.0 Next steps</b>		Agree, but more information and discussion is required on MOL and the treatment of inflexible and flexible blocks related to the order in which they will be curtailed in a supply surplus scenario.
<b>Additional Comments</b>		