

Stakeholder Comment & AESO Response Form

**ISO Rule 6.6 – Pool Participant Non-Compliance with Energy Market Dispatch and Directives
May 26, 2009**

Date of Request for Comment: April 3, 2009

Stakeholder Consultation Period: March 5, 2009 to April 3, 2009

General Comments/Notes

Stakeholder	Stakeholder Comment	AESO Response
<u>EPCOR</u>	<p>EPCOR has had the opportunity to review a proposed draft of Rule 6.6 prepared by TransCanada which incorporated changes proposed by a number of parties including EPCOR.. We have attached a version of the draft Rule, with a few small changes and one significant change. This change and our rationale are described in the Purpose section of this Comment Matrix.</p>	<p>Acknowledged</p>
<u>TransAlta</u>	<p>General Comments/Notes:</p> <ol style="list-style-type: none"> 1. TransAlta continues to believe that the AESO has taken the wrong path towards compliance and the result has been, and continues to be, an unnecessary financial and administrative burden on market participants. The improvement to reliability created by these unnecessarily tight bands is questionable. 2. The decision to exclude “intent” from the rule on the basis it would create “an unintended distinction between intentional and unintentional non-compliance” is misguided. The consequences of “unintentional” non-compliance are clearly defined through AUC Rule 019. If a market participant “unintentionally” forgets to dispatch a unit, the consequence is clear, and the result is a specified penalty. Unless the AESO chooses to incorporate some leniency towards human error this is a non-issue. The benefit of addressing “intent” in the rule is that it easily distinguishes the important differentiation between “operational deviations” and everything else. Once “intent” is dealt with, all that remains is logistics around when and how a market participant communicates operational constraints. TransAlta therefore recommends: <ol style="list-style-type: none"> a) An AESO rule that states a market participant may not intentionally deviate from dispatches or directives. If the AESO feels that the spirit of “intent” is already incorporated in Rule 1.10, then no additional rule is needed and all that is required is a framework around the 	<p>It is the AESO’s view, as stated in the following excerpts from our October 30, 2008 Recommendation Paper:</p> <p>“The new legislation places an obligation on the AESO to refer suspected non-compliance events to the MSA.”</p> <p>“As the Rule was originally established on the premise that the AESO would exercise discretion and consider operational, logistical, and environmental factors in the assessment of an event,…”</p> <p>“... the AESO believes that additional definition and clarity would benefit participants and the market...”</p> <p>“It is not expected or intended that the underlying purpose of the rule will be changed.”</p> <p>“The recommendations for change set out below also include technical changes that the AESO believes are appropriate in light of the change in enforcement regime and the views of stakeholders.”</p>

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	<p>communication of operational deviations.</p> <p>b) Market participant communication requirements regarding dispatch variance would require:</p> <p>1) Verbal communication to the AESO will be required for deviations greater than 10mws AND a duration that surpasses the second ten minute clock period after the deviation. Once this time has expired, a mandatory phone call to the AESO will be required to explain the situation. The AESO operator will then determine whether an ETS restatement is required, case by case, based upon system requirements and reliability. <i>The purpose behind the suggested grace period is to balance the time needed for a unit operator to recover the unit and focus on reaching the accepted dispatch with the communication needs of the AESO operator for reliability purposes.</i></p> <p>Only once the AESO has differentiated “intent” from “operational deviations”, can the AESO and its market participants put their focus where it belongs which is reliability. “Intentional” and “Unintentional” deviations would continue to be assessed by the MSA according to AUC Rule 019.</p> <p>3. Ramping Requirements and Communication during operational upset</p> <p>TransAlta is most concerned about the proposed timelines for communication to the AESO and tolerance bands associated with ramping and operational deviations. This is when our operators are most heavily taxed particularly at a coal facility bringing the unit to the dispatch level. The limits and communication times proposed by the AESO do not recognize our concerns. During these periods we believe larger tolerance bands and time to communicate information to the AESO are required.</p>	<p><i>Response to 1 –</i> The proposed bands are consistent with current practice and are designed to strike the balance between the practical limitations of generating units, the reliable operation of the electrical system and a fair, efficient openly competitive market.</p> <p><i>Response to 2 –</i> “intent” was removed from the proposed rule because it is already dealt with through MSA surveillance and in ISO rule 1.10.</p> <p><i>Response to 3 –</i> The AESO appreciates the challenges associated with operating generating assets especially as part of an interconnected electrical system. The proposed rule strikes the balance to ensure the system controller is informed so that the system controller can properly coordinate the operation of the electricity markets.</p> <p><i>Response to 4 -</i> As indicated in our response to TransAlta’s comments on the updated recommendation paper on March 24, 2009 “The 10 minute fixed interval was chosen because it aligns with the timeframe that the Balancing Authority works within to balance the system. Also the 10 minute fixed interval is short enough time period to discourage gaming and long enough to allow for the operational deviations that participants were concerned about.” The fixed interval was not chosen simply because of IT design challenges.</p> <p>While a rolling clock average can be considered in future upgrades, as suggested by TransAlta, the benefits as compared to using a 10 minute clock window would need to be part of that consideration.</p> <p><i>Response to 5 –</i></p>
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<p>4. Rolling Clock Average</p> <p>“We believe that the 10 minute clock window approach can be implemented faster from an IT perspective than the rolling clock period...Using a 10 minute clock window will reduce the amount of processing and storage by a factor of 10”. TransAlta would like to point out that while this is an IT constraint now, it will not always be. When the AESO decides to upgrade their systems (Visioning Project?), TransAlta would recommend that the change to a rolling clock average be contemplated at that time.</p> <p>5. +/- 40% Ramp Tolerance</p> <p>The AESO recently stated “The AESO proposed a ramp rate range in its October 30th recommendation paper but the idea received little support” Our review of stakeholder comments over the past 6 months does not lead us to the same conclusion. TransAlta, and several other market participants, supported the idea of a ramp rate range, however, we and others needed some communication time in addition to the proposed ramp rate range. Compiled below are the responses from market participants:</p> <ul style="list-style-type: none">• EPCOR – “The +/- 40% tolerance for ramping is reasonable for dispatches above MSG, if this were combined with the proposed 10 minute delay time to start ramping.”• NEXEN – “Nexen has several concerns regarding the use of a ramp profile rather than using the +/- 40% variance criterion originally proposed.”• TRANSALTA – “+/- 40% ramping tolerances may be workable with large dispatches but does not allow enough time for small dispatches”• TRANSCANADA – “TransCanada suggests combining the 10-minute delay time with the ramp profile” <p>What TransAlta and others were trying to communicate was that we were close to a solution, but that ramping and unit upsets, represent the time when our unit operators are the busiest, and these are the times when we need the</p>	<p>The AESO has considered the input from participants in this matter and has worked towards a rule that is both practical for generating units and sets reasonable expectations to ensure predictable ramping.</p> <p>The new proposed rule will reflect the greater of plus or minus 40% ramp time requirement using the single ramp rate submitted to ETS as originally proposed in the October 30, AESO Recommendation Paper, or plus or minus 5 minutes</p> <p>This change is intended to deal with acceptable ramp deviations that the ramp profile approach does not, provide more flexibility than the ramp profile approach and also provide a minimum ramp time for short duration ramps.</p>
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	<p>most flexibility. TransAlta and others believe larger tolerance bands and time to communicate information to the AESO are required during the ramp. It is TransAlta's opinion that the AESO received support for a ramp range in addition to adequate communication time.</p>	
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Purpose		
Stakeholder	Stakeholder Comment	AESO Response
<u>EPCOR</u>	<p>EPCOR believes that the main focus of the AESO’s and MSA’s enforcement activities should be directed at parties who intentionally do not follow a dispatch from the system controller. The draft rule does not address intentional non-compliance in the Purposes section.</p> <p><i>Alternate Proposal</i> See the attached draft Rule for our proposal where we have added the following language (underlined)to the Purposes section:</p> <p><i>“The purpose of rule 6.6 is:</i></p> <p>a) <i>to permit the system controller to anticipate the amount of electric energy to be provided to or taken off of the AIES in real time by a generating asset with an acceptable degree of certainty, thereby enabling the system controller to regulate the balance between electrical output and AIES demand; and</i></p> <p>b) <i>to discourage market participants from intentionally operating a generating asset at a level different than that directed by the system controller pursuant to an energy market dispatch or directive.”</i></p>	<p>Rule 6.6 does not differentiate between intentional and unintentional non-compliance. Deviations from dispatches, whether intentional or unintentional, must be kept in check to preserve or improve a FEOC market and a reliable system while respecting practical limitations of generating assets. ISO rule 1.10 addresses intentional non-compliance. Furthermore the MSA is empowered by the AUC Act section 39(2) to pursue matters concerning the intentional misconduct of market participants.</p>
<u>TransCanada</u>	<p>TransCanada urges the ISO to consider re-drafting Rule 6.6. Because there is now a separation between the author of the Rule (the ISO), the enforcer of the Rule (the MSA) and the interpreter of the Rule (the AUC), if the new Rule 6.6 is to be effective it must be clear. Accordingly when considering the March 5th draft, we asked whether a reader of Rule 6.6 could find the answers to the “5 Ws” – WHO, WHAT, WHERE, WHEN and WHY. The first four “Ws” are addressed in our comments below. However, we believe that interpretation of Rule 6.6 would be greatly consisted by a short “Purpose” statement explaining why the Rule exists.</p> <p><u>TransCanada Proposed Revised Rule</u></p>	<p>The AESO has considered the comments submitted by TransCanada in the proposed rule.</p> <p>The purpose of the rule is to provide dispatch parameters for pool participants delivering energy to the energy market in response to an energy market dispatch. Providing these parameters contributes to the FEOC market and the reliability of the system.</p>

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	<p>The purpose of rule 6.6 is to permit the system controller to anticipate the amount of electric energy to be provided to the AIES in real time by a generating asset with an acceptable degree of certainty, thereby enabling the system controller to regulate the balance between electrical output and AIES demand.</p>	
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G1- Definitions		
Stakeholder	Stakeholder Comment	AESO Response
<u>AltaGas</u>	Support.	Acknowledged.
<u>EPCOR</u>	<p>Oppose.</p> <p><i>Reason for Stakeholder Positions:</i> EPCOR does not support the definition of “minimum stable generation”. The MSG value is currently viewable in a read only field and cannot be changed in a dynamic fashion.. A market participant is not able to submit MSG vales to ETS aside from working around this problem by changing its offer. EPCOR would support the definition if MSG was capable of being dynamically modified by a market participant to meet changing conditions for assets.</p> <p><i>Alternate Proposal:</i> MSG should be capable of being configured based on an hourly basis (similar to AC’s) to provide the AESO System Controller the most accurate picture of the units current and future status. This would also negate the confusion with the T-2 window. By essentially adding an editable MSG value to the ETS submission screen AESO will eliminate the potential compliance harm which the T-2 window poses and market participants not need worry about having T-2 offer non-compliance risk. See the attached draft Rule for our proposal.</p>	<p>The change to the definition of MSG is redundant since rule 6.6.5 b) clarifies it will be the minimum stable generation level indicated in ETS. The change to the definition will not be submitted as part of the final proposal.</p>
<u>EPCOR</u> <u>Proposed</u> <u>Revised Rule</u>	<p>New Definitions:</p> <p>10 minute clock period refers to any one of six 10 minute periods in an hour, defined as follows:</p> <p>ME:01 to ME:10 ME:11 to ME:20</p>	<p>The AESO appreciates the suggestions for new definitions provided by EPCOR. We agree with some of the formatting changes as they provide greater clarity. We have considered EPCOR’s suggestions in the development of the final proposed rules.</p> <p>The AESO has the following comments on EPCOR’s suggested new definitions.</p>

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	<p>ME:21 to ME:30 ME:31 to ME:40 ME:41 to ME:50 ME:51 to ME:60</p> <p>Where “ME” means minute ending.</p> <p>allowable dispatch variance (ADV) as measured from the dispatch level, means for each generating asset, either:</p> <ul style="list-style-type: none">(a) plus or minus 5MW from the generating asset’s dispatch level, for generating assets with a maximum capability of 200MW or less; or(b) plus or minus 10MW from the generating asset’s dispatch level, for generating assets with a maximum capability of greater than 200MW. <p>Good electric dispatch practice means, in respect of a pool participant, the standard of practice attained by exercising the degree of knowledge, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced dispatcher of electricity assets in Alberta or under similar circumstances elsewhere in North America, and shall include but not be limited to the design, implementation and use of a commercially reasonable dispatch protocol to be followed by all the pool participant’s dispatchers together with systems designed to detect errors or omissions in a timely fashion. Good electric dispatch practice is not restricted to the optimum practice or course of action to the exclusion of all others but comprises the spectrum of reasonable practices methods or acts applicable to the circumstances and having regard to economic conditions.</p> <p>minimum stable generation means the generation level that the pool participant has submitted to the Energy Trading System, from time to time, as the minimum generation level at which a generating asset can be</p>	<p>The current practice for definitions that are used in other sections of the ISO rules is to include them in section G1 Definitions. Definitions that are exclusive to a rule are defined within the rule.</p> <p>The AESO does not agree with a new definition titled Good Electric Dispatch Practice, however, we agree that some of the concepts contained within the definition have merit. We have revised section 6.6.1 of the rule to include a standard of practice based on reasonable best efforts that we believe is in line with the intent of the rule.</p> <p>EPCOR has suggested the inclusion of “third party facilities, contracts or arrangements” in the definition of Operational Deviation. The AESO rejects this proposal as it is too open-ended. Third party facilities is not defined and the AESO may not be privy to the type of arrangements or contracts that are contemplated here making it impossible to monitor compliance.</p> <p>The PPA Exception Report is already provided by the AESO and is not part of rule 6.6. If the current report is inadequate participants may submit a data request through the normal channels explaining what is needed and the AESO will make reasonable efforts to improve the report.</p> <p>The changes proposed by EPCOR for the ramping definition may provide better clarity, however, the AESO does not agree that the term “issued” should be replaced with “accepted”. The revised rule provides ample time before the ramp must begin and this time is expected to account for communication time including communicating with the AESO.</p> <p>Ramp Rate is already a defined term and changing it is out of scope for this rule.</p> <p>For practical reasons the AESO agrees with the suggested revision to the steady state definition and will reflect this</p>
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	<p>continuously operated in accordance with good electric operating practice and having regard for the increase in risk of outage that would result from further reduction in output.</p> <p>Operational Deviation means:</p> <ul style="list-style-type: none">(a) a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(a) or 6.6.3(b) as demonstrated by such generating asset's response to its operator's ramping instructions;(b) a generating asset operating in steady state varies outside the ADV due to force majeure or circumstances related to the operation of the generating asset which could reasonably be expected to affect the available capability or safety of the generating asset, third party facilities, contracts or arrangements, the environment, personnel working at the generating asset or the public. <p>PPA exception report means an electronic report issued by the system controller to a pool participant reporting that a generating asset that is subject to a PPA has failed to follow an energy market dispatch issued by the system controller.</p> <p>ramp or ramping means the state of operation that begins once an energy market dispatch has been accepted for a generating asset until the time the generating asset has reached the quantity (MW) specified in the energy market dispatch after taking such generating asset's ADV into account.</p> <p>ramp rate means the rate at which the pool participant has indicated a generating asset can reasonably be expected to ramp in the ramp profile submitted to the Energy Trading System.</p> <p>steady state means the state of operation that begins the first 10 minute clock period following the period in which an generating asset's operation</p>	<p>change in the next draft of the rule.</p>
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	reached the quantity (MW) specified in an energy market dispatch after taking such generating asset’s ADV into account.	
<u>Nexen</u>	<p>Indifferent.</p> <p><i>Reason for Stakeholder Positions:</i> As noted in Nexen’s comments provided on February 6, 2009, generally Nexen does not have any concerns with the proposed changes to allowable dispatch variance as proposed by the AESO. Nexen would again like to note that “accommodations” incorporated into the rule have unfortunately elevated the complexity of other components of the rule i.e. Section 6.6.3 – Ramping Compliance. Nexen understands the AESO’s desire to accommodate some of the unique characteristics of market participants all the while ensuring the resulting rules meet the AESO’s operational requirements. Nexen appreciates that the AESO effort to respond to stakeholder concerns but submit in doing so have inadvertently created unnecessary complexity and concern in other aspects the proposed Rule. Please see Section 6.6.3 for additional comments.</p>	The AESO has responded to Nexen’s comments in section 6.6.3 of this comment matrix.
<u>TransAlta</u>	<p><i>Stakeholder Position(s):</i></p> <p><i>The definition of “allowable dispatch variance” does not require “from the dispatch quantity”. This is repetitive and unneeded.</i></p> <p><i>Alternate Proposal:</i></p> <p>allowable dispatch variance (ADV), means plus or minus 5MW for generating assets with a maximum capability of 200 MW or less and 10 MW for generating assets with a maximum capability of greater than 200 MW</p>	The AESO has considered alternative wording in the final proposed rule.
<u>TransCanada</u>	Please see attached proposal for a redraft of Rule 6.6.	The AESO appreciates the proposals submitted by

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	<p><i>Reason for Stakeholder Positions:</i></p> <p>TransCanada believes that the Rule would be easier to read if all the new definitions were in one place and at the front of the document. Drafting refinements to the definitions set out in the March 5th draft are suggested to further clarify the concepts used in the Rule, and, in some cases, to avoid using the words the clause is seeking to define in the definition itself.</p> <p><i>Alternate Proposal:</i> TransCanada proposes the following definitions:</p> <p>10 minute clock period refers to any one of six 10 minute periods in an hour, defined as follows:</p> <p>ME:01 to ME:10 ME:11 to ME:20 ME:21 to ME:30 ME:31 to ME:40 ME:41 to ME:50 ME:51 to ME:60</p> <p>Where “ME” means minute ending.</p> <p>allowable dispatch variance (ADV) as measured from the dispatch level, means for each generating asset, either:</p> <p>(c) plus or minus 5MW from the generating asset’s dispatch level, for generating assets with a maximum capability of 200MW or less; or</p> <p>(d) plus or minus 10MW from the generating asset’s dispatch level, for generating assets with a maximum capability of greater than 200MW.</p>	<p>TransCanada and we have considered them in the next draft of the rule.</p> <p>Please refer to the responses to EPCOR in this section.</p>
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	<p>Good electric dispatch practice means, in respect of a pool participant, the standard of practice attained by exercising the degree of knowledge, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced dispatcher of electricity assets in Alberta or under similar circumstances elsewhere in North America, and shall include but not be limited to the design, implementation and use of a commercially reasonable dispatch protocol to be followed by all the pool participant's dispatchers together with systems designed to detect errors or omissions in a timely fashion. Good electric dispatch practice is not restricted to the optimum practice or course of action to the exclusion of all others but comprises the spectrum of reasonable practices methods or acts applicable to the circumstances and having regard to economic conditions.</p> <p>minimum stable generation means the generation level that the pool participant has submitted to the Energy Trading System, from time to time, as the minimum generation level at which a generating asset can be continuously operated in accordance with good electric operating practice and having regard for the increase in risk of outage that would result from further reduction in output.</p> <p>Operational Deviation means:</p> <ul style="list-style-type: none">(a) a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(a) or 6.6.3(b) as demonstrated by such generating asset's response to its operator's ramping instructions;(b) a generating asset operating in steady state varies outside the ADV due to force majeure or circumstances related to the operation of the generating asset which could reasonably be expected to affect the available capability, or safety of the generating asset, third party facilities, contracts or arrangements, the environment, personnel working at the generating asset or the public.	
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	<p>PPA exception report means an electronic report issued by the system controller to a pool participant reporting that a generating asset that is subject to a PPA has failed to follow an energy market dispatch issued by the system controller.</p> <p>ramp or ramping means the state of operation that begins once an energy market dispatch has been accepted for a generating asset until the time the generating asset has achieved the quantity (MW) specified in the energy market dispatch after taking such generating asset's ADV into account.</p> <p>ramp rate means the rate at which the pool participant has indicated a generating asset can reasonably be expected to ramp in the ramp profile submitted to the Energy Trading System.</p> <p>steady state means the state of operation that begins the first 10 minute clock period following the period in which an generating asset's operation reached the quantity (MW) specified in an energy market dispatch after taking such generating asset's ADV into account.</p>	
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6.6.1 - Dispatch Compliance Responsibilities

Stakeholder	Stakeholder Comment	AESO Response
AltaGas	Support.	Acknowledged
ATCO Power	<p>a) A pool participant may only deliver energy to the AIES pursuant to a dispatch or a directive issued by the system controller. A pool participant may be considered to be non-compliant if an energy market dispatch or directive is not followed.</p> <p>b) It is expected that generating assets will be operated using good electric operating practice and to the quantity (MW) dispatched or directed.</p> <p>c) The pool participant is responsible for coordinating its energy, dispatch down service and ancillary services submissions to ensure that it is able to comply with an ancillary service dispatch or energy market dispatch issued pursuant to such submissions.</p> <p>d) The ISO will monitor compliance of pool participants with an energy market dispatch or a directive, <i>considering rule 6.6.5</i> and refer any suspected contraventions to the MSA in accordance with ISO rule 12.</p>	<p>The AESO appreciates the suggestion and we have considered it in the final proposed rule.</p>
EPCOR	<p>Oppose.</p> <p>EPCOR does not support the “pool participant” being solely accountable for non-compliance with Rule 6.6.</p> <p><i>Reason for Stakeholder Positions:</i> EPCOR believes that a rule respecting dispatch variance is important for the integrity of the market; however, the rule should be directed at the party who has the ability to control physical compliance in order to provide incentives to the party that is able to correct the behaviour. In the discussion paper that preceded the draft rule, one of the stated considerations for the Rule is that “unreasonable expectations should not be placed on participants”. Requiring a non-operator to comply</p>	<p>When applying to become a pool participant a party agrees to be bound by ISO Rules. There is no such agreement with PPA owners or counterparties to other arrangements that pool participants may have. Therefore, it is appropriate that pool participants are held accountable for the generating assets in respect of which they have submitting rights in ETS since they are required to comply with the terms and conditions of the participant agreement. The Rule properly places the compliance obligations on the pool participant.</p> <p>The AESO has revised section 6.6.1 to incorporate some of EPCOR’s suggestions regarding dispatch practice. We agree that some of the concepts contained within the definition Good Electric Dispatch Practice have merit. We have revised section 6.6.1 of the rule to include a standard of practice</p>

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<p>with the operating requirements that are being incorporated into the Rule is an unreasonable expectation on the “pool participant” that is not an operator, as it cannot physically ensure compliance with the Rule. The dispatch variance rule should encourage generating units to be operated in accordance with dispatches and should make the operator of the facility accountable for operation of the unit. The operator is the party with the ability to physically comply with the rule. Likewise, the non-operator “pool participant” should be held accountable for the activities which are within its physical control</p> <p><i>Alternate Proposal:</i> See the attached draft Rule for our proposal.</p> <p><u>Proposed Revised Rule</u> 6.6.1 Dispatch Compliance Responsibilities</p> <p>(a) A pool participant shall only deliver energy to the AIES pursuant to an energy market dispatch or a directive issued by the system controller.</p> <p>(b) A market participant that operates a generating asset shall do so using good electric operating practice and shall operate such generating assets at the quantity (MW) specified by an energy market dispatch or directive.</p> <p>(c) The pool participant shall coordinate operating block, dispatch down service and ancillary services submissions for each generating asset in accordance with good electric dispatch practice, and by so doing will discharge its duty to ensure that such generating asset is able to comply with an ancillary service dispatch and/or energy market dispatch issued pursuant to its submissions.</p>	<p>based on reasonable best efforts that we believe is in line with the intent of the rule.</p> <p>Adding the paragraph (b) as suggested by EPCOR creates ambiguity in the rule. Compliance with rule 6.6 is the responsibility of the Pool Participant. Adding this paragraph will make it unclear who is responsible for compliance with the rule.</p> <p>The AESO has a standard that it follows when it comes to drafting the ISO rules. The AESO’s use of may and must have been reviewed and are intentional.</p> <p>The term “dispatch” is defined in the ISO rules and is more appropriate in this case than “energy market dispatch”.</p> <p>It is unclear why EPCOR prefers using “operating block” rather than the term “energy”. This approach seems inconsistent with using the terms “dispatch down service” or “ancillary service”.</p> <p>The PPA Exception Report is already provided by the AESO and is not part of rule 6.6. If the current report is inadequate participants may submit a data request through the normal channels explaining what is needed and the AESO will make reasonable efforts improve the report.</p> <p>In the new draft of 6.6.1 the AESO has removed the last paragraph (e in the EPCOR proposal) entirely because it is redundant and did not fit with the rest of the section.</p>
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	<p>(d) The ISO shall issue a PPA exception report if a generating asset that is subject to a PPA fails to provide the quantity (MW) specified in an energy market dispatch after taking such generating asset’s ADV into account. Each PPA exception report shall identify the time period during which the generation asset failed to follow an energy market dispatch instruction, whether such event involved over generation or under generation and shall otherwise conform to the terminology and requirements of the PPA.</p> <p>(e) The ISO shall monitor the quantity of electric energy provided to or taken off the AIES by each generating asset which receives an energy market dispatch or directive and, if any deviations are observed, shall consider the provisions of 6.6.5. The ISO may refer any suspected contraventions to the MSA in accordance with ISO rule 12.</p>	
<u>Nexen</u>	<p>Indifferent</p> <p><i>Reason for Stakeholder Positions:</i> Generally Nexen does not have any concerns with the proposed wording.</p>	<p>Acknowledged.</p>
<u>TransAlta</u>	<p><i>Stakeholder Position(s):</i></p> <p><i>Section b, should be deleted entirely because “good operating practice” is already embedded in the AESO rules</i></p> <p><i>Alternate Proposal:</i></p> <p>6.6.1 Dispatch Compliance Responsibilities</p> <p>(a) A pool participant may only deliver energy to the AIES pursuant to a dispatch or a directive issued by the system controller. A pool participant may be considered to be</p>	<p>The ISO rules include a definition of “good electric operating practice” and the term is used in other sections of the rules. Good electric operating practice (or similar term) is a term commonly used in the electrical industry and helps set operational expectations. It therefore seems appropriate to include the term in this rule.</p>

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	<p>non-compliant if an energy market dispatch or directive is not followed.</p> <p>(b) The pool participant is responsible for coordinating its energy, dispatch down service and ancillary services submissions to ensure that it is able to comply with an ancillary service dispatch or energy market dispatch issued pursuant to such submissions.</p> <p>(c) The ISO will monitor compliance of pool participants with energy market dispatch or a directive and refer any suspected contraventions to the MSA in accordance with ISO rule 12.</p>	
<p><u>TransCanada</u></p>	<p>Please see attached proposal for the redraft of Rule 6.6.</p> <p><i>Reason for Stakeholder Positions:</i></p> <p>TransCanada suggest a redraft of 6.6.1 a) – d) to make it clear WHO is responsible for WHAT. Specifically, we propose using “shall” to indicate “has a duty to” in the manner generally advocated by legal drafting authorities. We believe that this Rule may impose responsibilities on a market participant (as opposed to a pool participant) in so far as is necessary or advisable to permit the ISO to carry out its duty to “direct the safe, reliable, and economic operation of the interconnected electric system”.</p> <p>We also propose a clause designed to correct a potential mismatch between Rule 6.6 and the Alberta Power Purchase Arrangements which came into effect on January 1, 2001 pursuant to AR175/2000 and the various iterations of the <i>Electric Utilities Act</i>.</p> <p><i>Alternate Proposal:</i></p>	<p>Please refer to the response to EPCOR in this section.</p>

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	<p>TransCanada proposes the following description of dispatch compliance responsibilities.</p> <p>6.6 Non-Compliance with Energy Market Dispatch and Directives</p> <p>6.6.1 Dispatch Compliance Responsibilities</p> <p>(a) A pool participant shall only deliver energy to the AIES pursuant to an energy market dispatch or a directive issued by the system controller.</p> <p>(b) A market participant that operates a generating asset shall do so using good electric operating practice and shall operate such generating assets at the quantity (MW) specified by an energy market dispatch or directive.</p> <p>(c) The pool participant shall coordinate operating blocks, dispatch down service and ancillary services submissions for each generating asset in accordance with good electric dispatch practice, and by so doing will discharge its duty to ensure that such generating asset is able to comply with an ancillary service dispatch and/or energy market dispatch issued pursuant to its submissions.</p> <p>(d) The ISO shall issue a PPA exception report if a generating asset that is subject to a PPA fails to provide the quantity (MW) specified in an energy market dispatch after taking such generating asset's ADV into account. Each PPA exception report shall identify the time period during which the generation asset failed to follow an energy market dispatch, whether such event involved over generation or under generation and shall otherwise conform to the terminology and requirements of the PPA.</p> <p>(e) The ISO shall monitor the quantity of electric energy being delivered to</p>	
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	<p>the AIES by each generating asset relative to the current energy market dispatch or directive for that generating asset and, if any deviations are observed, shall consider the provisions of 6.6.5. The ISO may refer any suspected contraventions to the MSA in accordance with ISO rule 12.</p>	
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6.6.2 – Steady State Compliance

Stakeholder	Stakeholder Comment	AESO Response
<u>AltaGas</u>	Indifferent.	Acknowledged.
<u>ATCO Power</u>	<p>a) For the purpose of rule 6.6 the term steady state means the state that begins once a generating asset’s output has reached the quantity (MW) specified in an energy market dispatch plus or minus the allowable dispatch variance for such generating asset.</p> <p>b) For the purpose of this rule the term 10 minute clock period refers to any one of six 10 minute periods in an hour defined as follows: ME:01 to ME:10 ME:11 to ME:20 ME:21 to ME:30 ME:31 to ME:40 ME:41 to ME:50 ME:51 to ME:60</p> <p>Where ME means minute ending.</p> <p>c) In order to allow for momentary deviations from the dispatch level that may unintentionally occur from time to time steady state quantity (MW) delivered is averaged over 10 minute clock periods. During steady state the average quantity (MW) delivered by a generating asset in any 10 minute clock period must not vary from the dispatch quantity (MW) by more than the ADV.</p> <p>d) A pool participant that is supplying regulating reserve from its generating asset must ensure that the average quantity (MW) delivered in any 10 minute clock period is not less than the energy market dispatch quantity (MW) minus the ADV or greater than the energy market dispatch quantity (MW) plus the regulation range plus the ADV.</p>	<p>A pool participant that is providing regulating reserve is required to deliver the energy in accordance with the Technical Requirements for Provision of Regulating Reserves. Revising the rule as suggested by ATCO will put the rule at odds with section 2.1 bullets 13, 14 and 18 of the technical requirements.</p>

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	<p><i>Reason for Stakeholder Positions:</i> Since generation is being evaluated as an average, this will influence the RR evaluation, which is in addition to the average generation.</p>	
<p><u>EPCOR</u></p>	<p>Support.</p> <p><i>Reason for Stakeholder Positions:</i> EPCOR supports this proposal with the caveat that the use of 10 minute clock periods for compliance purposes does not allow for proactive intervention by the operator and may not accomplish the goals of the AESO.</p> <p><u>Proposed Revised Rule</u></p> <p>6.6.2 Steady State Compliance</p> <p>(a) When monitoring steady state compliance, the ISO shall average the steady state quantity (MW) delivered from an generating asset over 10 minute clock periods. The average quantity (MW) delivered by an generating asset in any 10 minute clock period shall not vary from the dispatch quantity (MW) by more than the ADV for that generating asset during steady state operation.</p> <p>(b) A pool participant that is supplying regulating reserve from an generating asset shall employ good electric dispatch practice to ensure that the quantity (MW) delivered in any 10 minute clock period is not less than the energy market dispatch quantity (MW) minus the ADV or greater than the energy market dispatch quantity (MW), plus the regulation range plus the ADV.</p>	<p>The rule requires generating asset output to target the dispatch level and not an average output level within a range. The AESO expects that participants would respond if their instantaneous output was not at the dispatch level and that they will strive to provide the dispatch amount at any given time and not the dispatch level plus or minus the allowable dispatch variance.</p> <p>The 10 minute clock period method would require the participant to monitor the output of generating asset during the fixed 10 minute period and compare that to the dispatched amount.</p> <p>This monitoring by the participant enables proactive intervention by the operator so that the pool participant may remain in compliance with the dispatch.</p> <p>The AESO appreciates the suggestions for revising rule 6.6.2. However, 6.6.2 is intended to describe steady state energy market dispatch compliance by the pool participant and the EPCOR revision tends to describe steady state compliance monitoring by the AESO.</p> <p>In the new revision of section 6.6.1 the AESO has included some of the concepts EPCOR has suggested in the definition of good electric dispatch practice. Section 6.6.1 applies to steady state compliance and therefore it is not necessary to include the concepts in 6.6.2 as well.</p>
<p><u>Nexen</u></p>	<p>Support.</p> <p><i>Reason for Stakeholder Positions:</i> As noted in Nexen’s February 6, 2009 comments, Nexen generally</p>	<p>As indicated in our response to TransAlta’s comments on the updated recommendation paper on March 24, 2009 “The 10 minute fixed interval was chosen because it aligns with the timeframe that the Balancing Authority works within to</p>

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	<p>supports the use of a 10 minute average to accommodate for the operational fluctuations a generating unit may experience as a result of various external or internal factors.</p> <p>Also noted in Nexen’s along with other stakeholders February 6, 2009 comments, there appears to be merit in adopting a rolling 10 min approach rather than distinct 10 min blocks. While Nexen understands there may be technical hurdles that may prohibit the implementation of “rolling” approach, Nexen much like other stakeholders is concerned with the impact of the compliance / non-compliance “cliffs” associated with the discrete 10 min blocks. Nexen submits that the implementation of the discrete 10 min block approach could act as a transition approach, so that the “rolling” methodology can be developed and eventually rolled out when completed.</p>	<p>balance the system. Also the 10 minute fixed interval is short enough time period to discourage gaming and long enough to allow for the operational deviations that participants were concerned about.” The fixed interval was not chosen simply because of IT design challenges.</p>
<p><u>TransCanada</u></p>	<p>Please see attached proposal for the redraft of Rule 6.6.</p> <p><i>Reason for Stakeholder Positions:</i></p> <p>As noted above, TransCanada suggests that all the definitions be grouped together at the beginning of the Rule. We also suggest the following re-write of the Steady State compliance clauses, which we have modified slightly from the March 5th version for clarity.</p> <p><i>Alternate Proposal:</i></p> <p>6.6.2 Steady State Compliance</p> <p>(a) When monitoring steady state compliance, the ISO shall average the steady state quantity (MW) delivered from a generating asset over 10 minute clock periods. The average quantity (MW) delivered by a generating asset in any 10 minute clock period shall not vary from the dispatch quantity (MW) by more than the ADV for that</p>	<p>The current practice for definitions that are used in other sections of the ISO rules is to include them in section G1 Definitions. Definitions that are exclusive to a rule are defined within such rule. The AESO will consider TransCanada’s suggestion with respect to re-ordering the definitions contained in the rule to the beginning of the rule.</p> <p>Please refer to the response to EPCOR in this section for a response to the TransCanada’s alternate proposal.</p>

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	<p>generating asset during steady state operation.</p> <p>(b) A pool participant that is supplying regulating reserve from a generating asset shall employ good electric dispatch practice to ensure that the quantity (MW) delivered in any 10 minute clock period is not less than the energy market dispatch quantity (MW) minus the ADV or greater than the energy market dispatch quantity (MW), plus the regulation range plus the ADV.</p>	
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6.6.3 – Ramping Compliance

Stakeholder	Stakeholder Comment	AESO Response
<u>AltaGas</u>	Support.	Acknowledged.
<u>ATCO Power</u>	<p>a) For the purpose of this rule 6.6 the term ramping means the state that begins once an energy market dispatch has been issued for a generating asset until the time the generating asset has achieved the quantity (MW) specified in the energy market dispatch plus or minus the ADV.</p> <p>b) A generating asset must begin to respond to an energy market dispatch within 10 minutes of the time specified in such dispatch.</p> <p>c) A generating asset must reach steady state in no longer than the period of time determined by dividing the incremental energy market dispatch quantity (MW) by the ramp rate as indicated in the pool participant submitted ramp profile, plus 10 minutes and no sooner than the period of time determined by dividing the incremental energy market dispatch quantity (MW) less the ADV by the ramp rate as indicated in the pool participant submitted ramp profile.</p> <p><i>Reason for Stakeholder Positions:</i> Two different phrases are used in section 6.6.3(c).</p> <p><i>Alternate Proposal:</i> The draft rule does not account for units that are not synchronized to the grid. Recognition of time to synchronize should be added to the ramping compliance section.</p> <p>The ramp profile needs to be simple to administer, especially for units that are capable of running in different configurations.</p>	<p>The AESO has considered the suggested revision in 6.6.3c).</p> <p>The rule accounts for generators that are not synchronized to the grid by allowing an operational deviation in 6.6.4. Further, if the generator that is not synchronized is a long lead time generator it is expected that they will comply with ISO rule 6.3.5.</p>
<u>EPCOR</u>	<p>Support.</p> <p><i>Reason for Stakeholder Positions:</i> EPCOR supports this proposal as</p>	It is intended that participants submit offers that they can comply with and therefore it is not expected that they will decline dispatches. A declined dispatch is a flag for the

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	<p>we understand that the rule permits a tolerance band around the submitted ramp profile to reflect operational vagaries of large thermal units.</p> <p><u>EPCOR Proposed Revised Rule</u></p> <p>6.6.3 Ramping Compliance</p> <p>Unless an energy market dispatch has been declined in accordance with these rules:</p> <p>(a) a generating asset shall begin to respond to an energy market dispatch within 10 minutes of the time of such energy market dispatch being received by the pool participant.</p> <p>(b) a generating asset shall reach steady state in:</p> <p>(i) no longer than the period of time determined by first dividing the incremental energy market dispatch quantity (MW) by the ramp rate as indicated in the pool participant submitted ramp profile and then adding 10 minutes; and</p> <p>(ii) no sooner than the period of time determined by first dividing the incremental energy market dispatch quantity (MW) by the ramp rate as indicated in the pool participant submitted ramp profile.</p>	<p>AESO to investigate.</p> <p>The 10 minute time allotted participants to begin ramping is intended to take into account communication time including time required to communicate with the AESO. In order to measure compliance with ramping under the proposed rule a definite start time needs to be established. The proposed rule defines this start time as the time indicated in the dispatch. It is not clear what EPCOR intends by the term “received”. The AESO does not know when participants receive the energy market dispatch.</p> <p>The AESO will consider the changes suggested by EPCOR to 6.6.3(b).</p>
<p><u>Nexen</u></p>	<p>Oppose.</p> <p><i>Reason for Stakeholder Positions:</i></p>	<p>The AESO has considered the input from participants in this matter and has worked towards a rule that is both practical for generating units and sets reasonable expectations to ensure predictable ramping.</p>

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	<p>As noted in Nexen’s February 6, 2009 comments, Nexen generally supports the 10 min communication time allowed to respond to an energy market dispatch but does not support the proposed ramp profile approach.</p> <p>As noted in Nexen’s and other stakeholders February 6, 2009 comments, the proposed ramp profile approach creates a number of concerns. As noted by Nexen there are a number of environmental factors along with the unique operating characteristics of the generating unit that cannot be adequately captured in a single ramp profile. For instance some generating units can operate in different modes along with ambient temperature can significantly impact the ramp capabilities of the unit. As such the chance that the unit can match the generic ramp profile provided to the AESO would be very remote. Nexen submits it would not be reasonable to adopt a ramp profile approach if only a remote chance exists for that unit to comply.</p> <p>Nexen understands from the AESO’s March 24, 2009 comments that there appears to be a degree of flexibility in what would be considered compliance with a stated ramp profile for the unit. While appreciates the AESO feels there is flexibility in the ramp profile to account for variances in units ramping ability, this is not clear within the proposed Rule. The Rule as it is currently written does not provide any certainty or clarity on whether or not the unit would be compliance. Without transparency and clear understanding of the compliance requirements generators cannot respond and take the necessary steps to ensure compliance.</p> <p>As noted in Nexen’s February 6, 2009 comments, the AESO’s original +/- 40% tolerance approach appears to be a much more reasonable approach. The +/- 40% tolerance window appears to effectively</p>	<p>The new proposed rule will reflect the greater of plus or minus 40% ramp time requirement using the single ramp rate submitted to ETS as originally proposed in the October 30, AESO Recommendation Paper, or plus or minus 5 minutes.</p> <p>This change is intended to deal with acceptable ramp deviations that the ramp profile approach does not, provide more flexibility than the ramp profile approach and also provide a minimum ramp time for short duration ramps.</p>
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	<p>balance market obligations, flexibility, system operations and stakeholder equity. Another alternative the AESO may also consider are to adopt the compliance requirements as already being employed by the ancillary services market. The rules are generally transparent, they meet the AESO’s operational requirements and industry participants have had sufficient experience operating under the stated requirements.</p>	
<p><u>TransAlta</u></p>	<p><i>Stakeholder Position(s):</i></p> <p><i>TransAlta continues to be concerned about the use of a single number for a ramp rate as proposed by the AESO. To be clear TransAlta was not opposed to the concept suggested in the October paper for a ramp rate range. We were concerned about the size of the range suggested. Historical data showed that there would be many instances where facilities would be outside this plus or minus 40% range.</i></p> <p><i>TransAlta would propose that AESO add a + 40% of the ramp rate provided to the current draft rule. We would suggest the AESO keep the 10 minutes for communication, allow a minimum of 10 minutes for a ramp from the time the facility has begun to move towards the new dispatch level to a maximum of the actual ramp rate provided in each asset ramp range profile plus 40%.</i></p> <p><i>We have reviewed the AESO’s response to our concern about a single ramp rate. The ramp rate examples the AESO has provided are small and thus result in 5 or 10 minutes only when the ramp rate is 1 MW/ minute. For many of our facilities this ramp rate would be closer to 10 MW’s or greater. If we received at 20 MW ramp on a facility with a 10 min per MW ramp rate and communication took the full 10 minutes this would give the facility exactly 2 minute to</i></p>	<p>Please refer to the response to Nexen in this section.</p>

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	<p><i>reach the new dispatch level. This is not enough time to observe never mind communicate a problem. Thus we believe the proposed rule would put a facility in significant risk of non-compliance if they have a fast ramp rate and a small MW dispatch. To resolve this issue we proposed a facility be given a minimum of 10 minutes once it has begun its ramp to complete this before being considered non-compliant. If the facility's required ramp time based on its ramp rate is greater than 10 minutes it should be given it ramp rate plus 40% to reach the bottom of the steady state compliance band. This additional 40% would accommodate the normal variance in ramp rate ranges.</i></p> <p><i>Thus we would suggest the AESO have the following components in the rule</i></p> <ul style="list-style-type: none"><i>1) 10 minute provision for communication & adjust facility controls to new dispatch level</i><i>2) A minimum of 10 minutes to reach its new dispatch level from the point the output level of the facility begins to move toward the new dispatch level. If the stated ramp rate times the MW dispatch is greater than 10 minutes then the facility is held to its ramp rate plus 40%.</i> <p><i>Thus we would suggest the AESO keep the components they have provided and add ramp rate plus 40% from the time the facility has begun to respond to the energy market dispatch. We believe this would allow for the natural variation in ramp rates but also allow the AESO to create appropriate limits for participants.</i></p> <p><i>Alternate Proposal:</i></p> <ul style="list-style-type: none">c) A generating asset must reach steady state in a minimum of 10 minutes or no longer than the period of time determined by dividing the incremental dispatch quantity (MW) by the ramp rate	
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	<p>plus 40% as indicated in the pool participant submitted ramp profile from the time the ramp has begun, plus 10 minutes and no sooner than the period of time determined by dividing the incremental energy market dispatch quantity (MW) less the ADV by the ramp rate plus 40% as indicated in the pool participant submitted ramp profile.</p>	
<p><u>TransCanada</u></p>	<p>Please see attached proposal for the redraft of Rule 6.6.</p> <p><i>Reason for Stakeholder Positions:</i></p> <p>Again, we propose a re-write aimed at clarifying WHO’s responsible for WHAT, and WHEN. Note that our proposed language in 6.6.3(a) needs to be read in concert with 6.6.5(h). While we appreciate the practical use of advance dispatch notices, we believe that dispatches are a real time activity and therefore this Rule should make it clear that a pool participant’s responsibility is to respond to dispatches in real time.</p> <p><i>Alternate Proposal:</i></p> <p>6.6.3 Ramping Compliance</p> <p>Unless an energy market dispatch has been declined in accordance with these rules:</p> <p>(a) a generating asset shall begin to respond to an energy market dispatch within 10 minutes of the time of such energy market dispatch being received by the pool participant.</p> <p>(b) a generating asset shall reach steady state in:</p> <p>(iii) no longer than the period of time determined by first dividing the incremental energy market dispatch quantity (MW) by the ramp rate as indicated in the</p>	<p>The AESO does not agree with the proposal suggested by TransCanada with respect to advance dispatches and we believe that advance dispatches are out of scope for this rule consultation.</p>

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	<p>pool participant submitted ramp profile and then adding 10 minutes; and</p> <p>(iv) no sooner than the period of time determined by first dividing the incremental energy market dispatch quantity (MW) by the ramp rate as indicated in the pool participant submitted ramp profile.</p>	
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6.6.4 – Operational Deviation

6.6.4 – Operational Deviation		
Stakeholder	Stakeholder Comment	AESO Response
<u>AltaGas</u>	Support.	Acknowledged.
<u>ATCO Power</u>	<p>(a) For the purpose of this rule 6.6 operational deviation means that a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(b) or 6.6.3(c) or the generating asset operating in steady state varies outside the ADV due to force majeure or circumstances related to the operation of the generating asset which could reasonably be expected to affect the availability, capability, or safety of the generating asset, the environment, personnel working at the generating asset or the public.</p> <p>(b) In the event that a generating asset experiences an operational deviation from the energy market dispatch quantity (MW) the system controller must be informed by the pool participant as soon as practical of the occurrence of the operational deviation and the cause if known.</p> <p>(c) In the event that a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(b) or 6.6.3(c) the system controller must be informed by the pool participant before such requirements are violated and if known, advised of the cause, possible or as soon as practical and the cause if known.</p> <p>(d) The generating asset's available capability must be restated in accordance with rule 3.5.4.2 by the end of the next full 10 minute clock period after which the operational deviation occurred if the operational deviation extends for that period or longer.</p>	The AESO appreciates ATCO's suggestion and we have considered it in the re-draft of the rule.
<u>EPCOR</u>	<p>Support.</p> <p><i>Reason for Stakeholder Positions:</i> EPCOR supports this proposal with the caveat that the use of 10 minute clock periods for compliance purposes does not allow for proactive intervention by the operator and</p>	The rule requires generating asset output to target the dispatch level and not an average output level within a range. The AESO expects that participants would respond if their instantaneous output was not at the dispatch level and that they will strive to provide the dispatch amount at any given time and not the dispatch level plus or minus the allowable dispatch variance.

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	<p>may not accomplish the goals of the AESO.</p> <p><u>EPCOR Proposed Revised Rule</u></p> <p>6.6.4 Operational Deviation</p> <p>(a) If a generating asset experiences an operational deviation from the energy market dispatch quantity (MW), the pool participant shall inform the system controller of the occurrence of the operational deviation as soon as reasonably practical following the pool participant becoming aware of such event and provide a brief description of its cause, if known. Such information may be given verbally.</p> <p>(b) If a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(b) or 6.6.3(c) the pool participant shall take all reasonable steps to inform the system controller before such requirements are violated immediately following the pool participant becoming aware of such event.</p> <p>(c) If an operational deviation has occurred and is reasonably anticipated to extend for more than two continuous 10 minute clock periods, then, unless the system controller verbally instructs the pool participant otherwise, the generating asset’s available capability must be restated in accordance with rule 3.5.4.2 by the end of the second full 10 minute clock period after which the pool participant became aware that the operational deviation occurred.</p>	<p>The 10 minute clock period method would require the participant to monitor the output of the generating asset during the fixed 10 minute period and compare that to the dispatched amount.</p> <p>This monitoring by the participant enables proactive intervention by the operator so that the pool participant may remain in compliance with the dispatch.</p> <p>The AESO will consider the suggestions to improve the rules clarity. However, the AESO points out that a “brief description of the cause” may not be practical, possible or appropriate. A lengthy description may be more appropriate.</p> <p>The AESO is not in favour of including the phrase “immediately following the pool participant becoming aware of such event”. The term as soon as practical implies that the pool participant is aware of the event.</p> <p>The AESO is not in favour of allowing additional 10 minute clock period before requiring a restatement.</p>
<u>Nexen</u>	Indifferent.	Acknowledged.

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	<p><i>Reason for Stakeholder Positions:</i> Generally Nexen does not have any concerns with the proposed wording.</p>	
<p><u>TransAlta</u></p>	<p><i>Stakeholder Position(s):</i></p> <p><i>The AESO has placed an unnecessary restriction of 10 minutes to restore the unit to its previous level. We believe it would be more appropriate to extend this to 20 minutes. During any kind of operational upset that operator has many duties he must perform. 20 minutes is a more reasonable time frame for these to be performed and provide the appropriate information to the AESO necessary for a restatement. Once an operator has established that there is an issue with the facility that may affect its capabilities, an operator must:</i></p> <ol style="list-style-type: none"> <i>1) Communicate to plant staff to investigate perceived problem</i> <i>2) Wait for results of plant staff investigation</i> <i>3) Calculate new ramp rate given estimated maintenance time</i> <i>4) Communicate to trading or operations desk</i> <i>5) Communicate with AESO</i> <p><i>This will often require more than the 10 minutes proposed in the AESO rule. We would suggest this be changed to the end of the second 10 minute clock as suggested in our wording below</i></p> <p><i>We are uncertain why “before such requirements are violated: if possible is required in c) of this section (quoted below. It is inconsistent rule language used in 6.6 and elsewhere in the AESO rules. We would suggest it be removed .</i></p>	<p>The AESO acknowledges the operation of a generating asset is complicated and involves numerous tasks and responsibilities. However, a supplier to Alberta’s electric system has an important responsibility which is to keep the system controller informed regarding the condition of the generating asset. The system controller requires this information in a timely manner in order to carry out the balancing authority function.</p> <p>Additionally, the market relies on accurate and timely offer submissions by participants. Not only is this information used to dispatch the system in a fair, efficient and openly competitive manner but it is also reported to all market participants so that they may use it as they participate in the market.</p> <p>In order to properly coordinate the dispatches the system controller must be informed by the pool participant as soon as possible if a generating asset experiences an operational deviation. The rule will be revised to reflect that this communication may be verbal. But in any case, whether the cause of the operational deviation is known or not, the offer for the generating asset must be restated by the end of the next full 10 minute clock period following the occurrence of the operational deviation.</p> <p>Restatement of ramp rates will not be allowed.</p> <p>Including the phrase “...before such requirements are violated if possible...” is aligned with providing the system controller timely information with which to operate the system and the market.</p>

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	<p>c) <i>In the event that a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(b) or 6.6.3(c) the system controller must be informed by the pool participant (before such requirements are violated if possible or) as soon as practical and the cause if known.</i></p> <p><i>Further the rule suggests a facility should restate. We would like it to be clear this restatement may be in the form of a restated ramp rate or an available capacity restatement depending on the circumstance. If a facility can still meet its dispatch but has a slower than usual ramp rate that will put it outside the proposed compliance time lines a restatement of the ramp rate may be more appropriate. We have reviewed the AESO's current ETS system it appears to allow a facility today to restate its ramp rate in real time and this is where this ramp rate restatement should occur.</i></p> <p>Alternate Proposal:</p> <p>(a) For the purpose of this rule 6.6 an operational deviation means that:</p> <ul style="list-style-type: none">i) a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(b) or 6.6.3(c) orii) the generating asset operating in steady state varies outside the ADV due to force majeure oriii) circumstances related to the operation of the generating asset which could reasonably be expected to affect the availability, capability, or safety of the generating asset, the environment, personnel working at the generating asset or the public. <p>(b) In the event that a generating asset experiences an operational deviation the system controller must be verbally informed by the pool participant as soon as practical of the</p>	
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	<p>occurrence of the operational deviation and the cause if known. The generating assets has until the end of the second 10 minute clock period following the operational deviation to restore the generating asset to the energy market dispatch quantity (MW) and achieve steady state compliance</p> <p>(c) In the event that a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(b) or 6.6.3(c) the system controller must be informed by the pool participant as soon as practical and the cause if known.</p> <p>(d) The generating asset’s available capability must be restate its ramp rate or available capacity in accordance with rule 3.5.4.2 by the end of the end of the second 10 minute clock period after which the operational deviation occurred if the operational deviation extends for that period or longer.</p>	
<p><u>TransCanada</u></p>	<p>Please see attached proposal for the redraft of Rule 6.6.</p> <p><i>Reason for Stakeholder Positions:</i></p> <p>We believe that the operational deviation provisions of the ISO’s proposed Rule 6.6 are particularly challenging for a pool participant to understand and apply to their operations. Accordingly, we propose some language for this clause that we believe provides greater clarity as to WHO is supposed to do WHAT and WHEN, while respecting the purpose of the Rule.</p> <p><i>Alternate Proposal:</i></p> <p>6.6.4 Operational Deviation</p> <p>(a) If a generating asset experiences an operational deviation from the energy market dispatch quantity (MW), the pool participant shall inform the system controller of the occurrence of the</p>	<p>The AESO has considered the suggestions to improve the rules clarity. However, the AESO points out that a “brief description of the cause” may not be practical, possible or appropriate. A lengthy description may be more appropriate.</p> <p>The AESO is not in favour of including the phrase “immediately following the pool participant becoming aware of such event”. The term as soon as practical implies that the pool participant is aware of the event.</p> <p>The AESO is not in favour of allowing additional 10 minute clock period before requiring a restatement.</p>

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	<p>operational deviation as soon as reasonably practical following the pool participant becoming aware of such event and provide a brief description of its cause, if known. Such information may be given verbally.</p> <p>(b) If a generating asset is unable to comply with the ramping requirements set out in rules 6.6.3(b) or 6.6.3(c) the pool participant shall take all reasonable steps to inform the system controller immediately upon the pool participant becoming aware of such inability.</p> <p>(c) If an operational deviation has occurred and is reasonably anticipated to extend for more than two continuous 10 minute clock periods, then, unless the system controller verbally instructs the pool participant otherwise, the generating asset's available capability must be restated in accordance with rule 3.5.4.2 by the end of the second full 10 minute clock period after which the pool participant became aware that the operational deviation occurred.</p>	
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6.6.5 – Exceptions to Non-Compliance

Stakeholder	Stakeholder Comment	AESO Response
<u>AltaGas</u>	Support.	Acknowledged.
<u>ATCO Power</u>	<p>A pool participant is not considered to be non-compliant with an energy market dispatch for a generating asset if any one or more of the following applies:</p> <p>a) If the generating asset is ramping into position to provide operating reserves in the 15 minutes before the time indicated in a dispatch to provide operating reserves.</p> <p>b) If the generating asset is operating below the minimum stable generation level indicated in the Energy Trading System provided such asset is:</p> <p>i) coming on line and its available capability submitted is equal to its minimum stable generation and it has received a dispatch for this quantity (MW).</p> <p>ii) going off line and its available capability submitted is equal to zero and it has received a dispatch for this quantity (MW).</p> <p>iii) unable to follow normal ramp times when its output is being increased to its minimum stable generation and a verbal plan has been submitted to the system controller indicating the proposal for ramping to minimum stable generation. The verbal plan must be updated for deviations of greater than 15 minutes or 50 MW.</p> <p>iv) stopped at an output level below minimum stable generation for more than 15 minutes for an operational reason and has restated its available capability accordingly.</p> <p>c) If it is responding to abnormal frequency through automatic governor action</p>	<p>The defined term “acceptable operational reason” as used in the ISO rules has a different purpose than to be used as an exception to non-compliance. An acceptable operational reason allows participants to restate their available capability or to restate within the T-2 time period.</p> <p>However, the re-draft of the rule will include reference to an operational deviation in section 6.6.5.</p>

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	<p>d) d In respect of energy delivered to the AIES while a pool participant is testing and/or commissioning, provided that the pool participant has complied with the ISO Operating Policies and Procedures and has received approval from the system controller.</p> <p>e) An acceptable operational reason</p> <p><i>Alternate Proposal:</i> An acceptable operational reason should be listed in the exceptions to non-compliance. This would create some duplication and the redundant items would not need to be listed separately.</p>	
<p><u>EPCOR</u></p>	<p>Oppose.</p> <p><i>Reason for Stakeholder Positions:</i> Comment on b)iii) - By virtue of MSG the unit should not be relied upon for any steady state ramp or any predicable ramp while a unit is below MSG. Therefore submitting a verbal plan to the System Controller will be of little value. Furthermore, having time constraints imposed on the operator to bring units online within the MSG period only adds to the stress the operator faces while focusing on safely bringing the unit up to the MSG level.</p> <p><i>Alternate Proposal:</i> As time permits, the operator will contact the system controller indicating where the unit will proceed if operated below the MSG level. The best alternative is to permit the operator to restate the MSG dynamically.</p> <p><u><i>Other</i></u></p> <p><i>Metering:</i> In its comments on the AESO discussion papers on rule 6.6, EPCOR has raised the issue of the need for common, transparent</p>	<p><i>MSG –</i> The AESO appreciates the challenges of operating generating assets at a level below the minimum stable generation level. However, it is important that the system controller is kept up to date with respect to the plans of generating assets regardless of their output level. The proposed rule does not put time constraints on the operator to bring units on line, rather it provides timelines for updating the system controller with respect the plan to bring the generating asset on line.</p> <p><i>Metering -</i> The AESO is not of the view that the AESO must provide a single visible data source for the purposes described by EPCOR. This is tantamount to providing a public SCADA which is impractical for technological and security reasons.</p> <p>The Current Supply Demand page provides timely information to the market place but is subject to short delays and any errors that are in the original data sent to the AESO by the provider.</p> <p><i>EPCOR proposed revised rule –</i> The AESO appreciates the editorial suggestions for rule 6.6.5 and we have considered them in the re-draft of the rule.</p>

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	<p>metering information upon which market participants can rely for compliance purposes. If the AESO continues to be of the view that the “pool participant” is the appropriate party for compliance purposes, a single, transparent data source is an essential component of the compliance framework. This data source should be available to and used by all parties (including the operator, the pool participant (if different than the operator) and the AESO) for compliance monitoring purposes.</p> <p>This has not yet been addressed in the draft Rule and should be, whether through an ISO business practice or in the Rule itself.</p> <p><i>Alternate Proposal:</i> The AESO’s Current Supply and Demand page is the closest information to a common data source of which EPCOR is aware. This report is currently subject to the following disclaimer: <u>“Report Disclaimer</u> <i>The above information is presented as a reasonable estimate of the Alberta supply & demand status at the time indicated above. With the exception of MCR, all information presented is based on SCADA data as received by the AESO. Certain events such as SCADA errors may result in erroneous values.”</i></p> <p>Parties should be able to rely on the chosen data source when subjected to compliance inquiries and sanctions. The disclaimer makes it unlikely that a party could rely on this report in compliance proceedings.</p> <p><u>EPCOR Proposed Revised Rule</u></p> <p>6.6.5 Exceptions to Non-Compliance</p> <p>Notwithstanding any other provision of this rule 6.6, a pool participant shall not be non-compliant with an energy market</p>	<p>An exception is not required for a generating asset being dispatched to stop providing operating reserves because this will be accompanied with an energy market dispatch to a new level if appropriate. An exception is required when dispatching a generating asset to provide operating reserves because the energy market dispatch will be effective 15 minutes after the ancillary service dispatch is issued.</p> <p>Section 6.6.5(b)(i) intentionally does not include the term “or greater than” because setting the Available Capability at the minimum stable generation level indicates that the unit is operating below that level and is eligible for the exceptions specified in rule 6.6.5 (b).</p> <p>The AESO is not in favour of the changes suggested by EPCOR for 6.6.5(d), (f) or (g). The AESO’s view is that the pool participant is responsible for compliance with the rules and the suggestions made by EPCOR in this regard are not aligned with this approach. Please refer to response to EPCOR in section 6.6.1.</p> <p>EPCOR’s section 6.6.5e) is not aligned with the purpose of the operational deviation concept. The operational deviation does not in itself provide an exception, but there are actions set out in rule 6.6.4 that if followed would allow the pool participant to be in compliance should an operational deviation occur. The AESO will include a revision to this effect in the re-draft of 6.6.5.</p> <p>EPCOR’s section 6.6.5f) suggests revisions dealing with intent and behaviour. ISO rule 1.10 deals with intent and behaviour and therefore it is not necessary to include this type of language in rule 6.6. Compliance with the rule is expected whether or not there is intent to adversely impact the electricity market.</p> <p>EPCOR’s section 6.6.5(g) appears to be providing participants with a number of exceptions to compliance per</p>
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	<p>dispatch for a generating asset if one or more of the following conditions are satisfied:</p> <ul style="list-style-type: none">(a) The generating asset is ramping into position to provide operating reserves in the 15 minutes before the time indicated in an energy market dispatch or directive instructing such generating asset on or off operating reserves.(b) The generating asset is operating below the minimum stable generation level indicated in the Energy Trading System, provided such generating asset is:<ul style="list-style-type: none">(i) coming on line and its available capability submitted is equal to or greater than its minimum stable generation and it has received a dispatch for this quantity (MW);(ii) going off line and its available capability submitted is equal to zero and it has received a dispatch for this quantity (MW);(iii) unable to follow submitted ramp rates when its output is being increased to its minimum stable generation and a verbal plan has been submitted to the system controller indicating the proposal for ramping to minimum stable generation. The verbal plan must be updated for deviations of greater than 30 minutes or 50MW; or(iv) stopped at an output level below minimum stable generation for more than 15 minutes for an operational reason and has restated its available capability accordingly.	<p>year regardless of the cause, the participant's portfolio or impact of the non-compliance events. Each non-compliance event must be evaluated individually and assessed on its own merits. It is the MSA's responsibility to exercise forbearance or not in such matters.</p> <p>EPCOR's section 6.6.5(h) refers to an energy market dispatch notice. This is not a defined term and the system controller does not issue them. The AESO does not support having the system controller re-issue the dispatch in the manner proposed. Furthermore advance energy market dispatches are not in scope for 6.6 rules changes.</p>
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	<p>(c) The generating asset is responding to abnormal frequency through automatic governor action.</p> <p>(d) The market participant that operates the generating asset is either testing or commissioning the asset, provided that the pool participant complies with the ISO Operating Policies and Procedures and receives verbal approval from the system controller to deliver electric energy to the AIES during such testing or commissioning;</p> <p>(e) An operational deviation occurred.</p> <p>(f) The pool participant:</p> <ul style="list-style-type: none">(i) its employees, agents or any market participant with whom the pool participant has contracted or has an arrangement to operate the generating asset has no intent to engage in behaviors or activities that could have an adverse impact on the electricity market; and(ii) follows good electric dispatch practice. <p>(g) The pool participant has demonstrated the effectiveness of its dispatch protocol as evidenced by:</p> <ul style="list-style-type: none">(i) with respect to steady state events having no more than X steady state non-compliance events with respect of the generating asset in the previous 12 month period, or(ii) with respect to ramping events having no more than Z ramp non-compliance events out of the generating asset's last ZZ ramps.	
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	<p>(h) Where the system controller issues an advance energy market dispatch notice, if the system controller fails to confirm such advance notice by issuing an energy market dispatch in real time.</p>	
<p><u>Nexen</u></p>	<p>Indifferent.</p> <p><i>Reason for Stakeholder Positions:</i> Generally Nexen does not have any concerns with the proposed wording.</p>	<p>Acknowledged.</p>
<p><u>TransAlta</u></p>	<p><i>Stakeholder Position(s):</i></p> <p><i>When a unit is ramping from zero to its Minimum Stable Generation level, especially at a coal facility, there are many things an operator must do. The AESO is asking for updates in deviation of the plan for anything greater than 15 minutes. We believe this is unnecessary and creates an additional burden on the operator who is doing their best to bring the facility to the MSG level. We would suggest a movement to a verbal plan to update for deviations greater than 30 minutes or 50 MW versus 15 minutes or 50 MW. This would still provide the system controller far more information than receive under the current rule and reduce the administrative burden on the operator during a time when he is already heavily taxed. We have suggested wording change to b iii & b iv below to address this.</i></p> <p><i>Further when a unit is placed on AGC the AESO has essentially taken over the unit. The generator cannot be held accountable for any error the system controller or the computer system may make while providing regulating reserve. We would request the addition of exception e) below to rectify this.</i></p> <p><i>Our facilities require 15 minutes to ramp into position when</i></p>	<p>The AESO appreciates the challenges of operating generating assets at a level below the minimum stable generation level. However, it is important that the system controller is kept up to date with respect to the plans of generating assets regardless of their output level. The AESO will consider the suggested revisions to the timeframes in the final proposed rule.</p> <p>The AESO appreciates the concern that TransAlta has expressed with respect to being held accountable for computer system errors. While it would be necessary to review each incident individually, rule 12.5.5, Mitigating Factors, properly addresses TransAlta’s concern and therefore paragraph (e) will not be included in the final proposed rule.</p> <p>An exception is not required for a generating asset being dispatched to stop providing operating reserves because this will be accompanied with an energy market dispatch to a new level if appropriate. An exception is required when dispatching a generating asset to provide operating reserves because the energy market dispatch will be effective 15 minutes after the ancillary service dispatch is issued.</p>

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	<p><i>dispatched of AGC as well as on. We have provided suggested wording in a)</i></p> <p><i>Alternate Proposal:</i></p> <p>A pool participant is not considered to be non-compliant with an energy market dispatch for a generating asset if any one or more of the following applies:</p> <ul style="list-style-type: none">a) If the generating asset is ramping into position in relation to an operating reserve dispatch in the 15 minutes before and after the time indicated in a dispatch on or off operating reserves.b) If the generating asset is operating below the minimum stable generation level indicated in the Energy Trading System provided such asset is:<ul style="list-style-type: none">i) coming on line and its available capability submitted is equal to its minimum stable generation and it has received a dispatch for this quantity (MW).ii) going off line and its available capability submitted is equal to zero and it has received a dispatch for this quantity (MW).iii) unable to follow normal ramp times when its output is being increased to its minimum stable generation and a verbal plan has been submitted to the system controller indicating the proposal for ramping to minimum stable generation. The verbal plan must be updated for deviations of greater than 30 minutes or 50 MW.	
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	<p>iv) stopped at an output level below minimum stable generation for more than 30 minutes for an operational reason and has informed the system controller of it new verbal plan to reach minimum stable..</p> <p>c) If it is responding to abnormal frequency through automatic governor action</p> <p>d) In respect of energy delivered to the AIES while a pool participant is testing and/or commissioning, provided that the pool participant has complied with the ISO Operating Policies and Procedures and has received approval from the system controller</p> <p>e) During dispatch of Regulating Reserve the pool participant is not responsible for any errors related to the AESO-Altalink computer systems that manage the unit. If the AESO-Altalink computer trips the unit off AGC and there is a result energy market ADV this will not be considered a non-compliance event.. .</p>	
<p><u>TransCanada</u></p>	<p>Please see attached proposal for the redraft of Rule 6.6.</p> <p><i>Reason for Stakeholder Positions:</i></p> <p>We believe that the purpose of Rule 6.6 can be achieved and a good deal of unnecessary litigation before the AUC can be avoided by identifying the standard of care expected of pool participants.</p> <p><i>Alternate Proposal:</i></p> <p>6.6.5 Exceptions to Non-Compliance</p> <p>Notwithstanding any other provision of this rule 6.6, a pool participant shall be compliant with an energy market dispatch for</p>	<p>Please refer to the response to EPCOR in this section.</p>

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	<p>a generating asset if one or more of the following conditions are satisfied:</p> <p>(a) The generating asset is ramping into position to provide operating reserves in the 15 minutes before the time indicated in an energy market dispatch or directive instructing such generating asset on or off operating reserves.</p> <p>(b) The generating asset is operating below the minimum stable generation level indicated in the Energy Trading System, provided such generating asset is:</p> <ul style="list-style-type: none">(i) coming on line and its available capability submitted is equal to or greater than its minimum stable generation and it has received a dispatch for this quantity (MW);(ii) going off line and its available capability submitted is equal to zero and it has received a dispatch for this quantity (MW);(iii) unable to follow submitted ramp rates when its output is being increased to its minimum stable generation and a verbal plan has been submitted to the system controller indicating the proposal for ramping to minimum stable generation. The verbal plan must be updated for deviations of greater than 15 minutes or 50MW; or(iv) stopped at an output level below minimum stable generation for more than 15 minutes for an operational reason and has restated its available capability accordingly.	
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	<p>(c) The generating asset is responding to abnormal frequency through automatic governor action.</p> <p>(d) The market participant that operates the generating asset is either testing or commissioning the asset, provided that the pool participant complies with the ISO Operating Policies and Procedures and receives verbal approval from the system controller to deliver electric energy to the AIES during such testing or commissioning;</p> <p>(e) An operational deviation occurred.</p> <p>(f) The pool participant:</p> <ul style="list-style-type: none">(v) its employees, agents or any market participant with whom the pool participant has contracted or has an arrangement to operate the generating asset has no intent to engage in behaviors or activities that could have an adverse impact on the electricity market; and(vi) follows good electric dispatch practice. <p>(g) The pool participant has demonstrated the effectiveness of its dispatch protocol as evidenced by:</p> <ul style="list-style-type: none">(vii) with respect to steady state events, having no more than X steady state non-compliance events with respect of the generating asset in the previous 12 month period, or(viii) with respect to ramping events, having no more than Z ramp non-compliance events out of the generating asset's last ZZ ramps.	
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