

Stakeholder Comment Form

TCM: Rule 9.4 AUC Re-Filing Proposal Paper

Date of Request for Comment: December 3, 2009
Period of Consultation: December 3, 2009- January 22, 2010

Stakeholder: Suncor Energy

Section of Paper	Description	Stakeholder Comments
1 Executive Summary	An overview of the key discussion points and proposals contained in the paper.	
2 Introduction	A brief history of Quick Hits rule development and reason for the paper.	
3 Background	A brief history of TCM Rule 9.4 development and reason for the paper.	
4 Recap of Commission Findings in the TCM Decision	A review Commission FEOC and public interest findings.	
4.1 i) Economic Dispatch	AESO use of merit order for dispatch is discussed.	Indifferent
4.1 ii) Pool Price Impact	Transmission constraint impact on market is discussed	See section 4.1 and 4.2 for related comments
4.1 iii) Compensation	A review of the requirement for compensation for being constrained down	See section 4.1 and 4.2 for related comments

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4.1 iv) Transmission “rights”	Generator’s “right” to access the AIES is discussed	Suncor agrees that while not desirable, the application of RAS is an acceptable short term solution to address real time transmission constraints to allow system recovery, with no financial compensation expected by the owner / generator. However, in no case should the application of a RAS be considered an acceptable AESO response to a transmission deficiency in the long term. It is a reasonable expectation that the AESO implement system upgrades to relieve constraints on the transmission system within three years of a new facility coming into service. It is therefore Suncor’s position that the application of a RAS should never exceed three years in duration from the date in which the generator or load has been energized. All cost savings / cost avoidances and the benefits gained by the AIES in not building the required system to alleviate the RAS, should be transferred to the affected customer. In this case, the customer would be entitled to compensation like DDS or have the RAS eliminated.
4.1 v) Use of TMR/DDS	AESO use of TMR/DDS is discussed.	Suncor supports the AESO’s position on using TMR and DDS to reduce/eliminate transmission constraints in the short term. However Suncor’s opinion is that system upgrades are required to eliminate transmission constraints for the long term.
4.2 i) Long term investment impact	TCM impact on long term investment decisions is reviewed.	Although Suncor agrees that the application of “the TCM Rule is expected to be infrequent and of short duration”, given the AESO’s current estimates (approximately five years) to construct new major transmission facilities in the Fort McMurray region, it is our expectation that the TCM Rule will be invoked more frequently and will lead to generators delaying or not developing in the Fort McMurray region. Based on first hand experience, Suncor recently went through an extensive planning review of generation development in the region and due to constraints on the system, almost decided to delay generation by several years. The only impact on changing this decision was the promise of a staged development under the recently-passed Bill 50.

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4.2 ii) Use of business practices	AESO use of business practices for constraint management is discussed	
5 Discussion of Commission Directions in the TCM Decision	This section introduces the discussion of and the AESO proposals regarding each of the Commission directions.	
5.1 Clarify the Scope of the TCM Rule	A proposal on whether the TCM rule should be limited to real time or expanded to include planning stage elements is presented.	While Suncor supports the real time “only” implementation of the TCM rule, it is unclear how long a “real time” duration lasts. If there are situations where pro-rata has to be applied to generators in a given region for a longer duration (3+ hours), how will generators be compensated or, alternatively, and even more important, what immediate steps will be taken by the AESO / TFO to mitigate the constraint? We require more clarity on this in the TCM Rule.
5.2 Clarify the TCM/TMR Rule relationship	A review of how the AESO would move from the use of the TCM Rule to the use of TMR is presented.	Suncor supports the use of TMR in TCM applications.
5.3 Consider ENMAX Pay as Bid Approach	The merit of using the ENMAX pay as bid proposal within the TCM protocol is discussed	Suncor does not support the pay as bid approach.
5.4 Define Key TCM Rule Terms	A proposal regarding specific TCM rule key terms is presented	The protocol defined as “effective factor” is a newer concept being discussed in relation to the development and application of the TCM rule. Suncor is suggesting that this protocol be further vetted with stakeholders and undergo the appropriate review and input process. Clarity is required on how the “effective factor” protocol affects RAS design and implementation.
5.5 Clarify TCM Rule Process Steps	Specific TCM rule process steps are discussed together with	

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	proposals to provide additional clarity where appropriate.	
6 Next Steps	Stakeholder feedback on the TCM paper discussion and proposals is requested.	When developing further TCM rules, the AESO needs to recognize that customers who hold Industrial Systems Designations (ISD) are limited in their ability to change their net load or supply requirements in order to comply to some TCM Rules, especially concerning RAS or the application of the effective factor protocol. These protocols normally target a specific generator or load. Within an ISD, a RAS or effective factor protocol is very difficult to implement as industrial process requirements vary day to day. The application of the effective factor protocol is further complicated by the fact that Suncor, and other large ISD generators, are all connected at the Ruth Lake interconnection point, making it difficult to pin point which generators would be considered in the effective factor application. More clarity is required with respect to this rule and how it and RAS would be applied to generators at the Ruth Lake interconnection point.