

AESO Recommendation Paper – Supply Surplus Stakeholder Comment Matrix

Comment Due Date: January 14, 2011

Stakeholder: Suncor Energy Inc.

Section	AESO Recommendation/Feedback Requested	Stakeholder Response
2.0 Purpose 3.0 Introduction/ Background		
4.1.1 Short Term vs. Long Term Solution	The AESO is working on the short term and long term solutions simultaneously.	Support
4.2.1 No Exemption for Wind Generators	The AESO recommends that wind generators are not exempt from supply surplus procedures	
4.2.2 No Exemption for Co-generators	The AESO recommends no exemption for co-generators in supply surplus procedures.	As the owner and operator of a complex and dynamic industrial system, which requires co-generation steam to sustain oil production and meet royalties requirements, Suncor cannot 100% support this exemption until an agreed upon framework is established for stating minimum stable generation (MSG) levels. The development of the MSG framework and associated rules must facilitate the inherently dynamic nature of oil production and large industrial complexes and must be flexible enough to allow for real time adjustments to MSG amounts without penalty.
4.2.3 Voluntary Generator Curtailment Request (VGCR)	The AESO recommends the implementation of VGCR.	Support

4.2.4 Exports Within T-2	The AESO recommends the inclusion of allowing exports within T-2 as part of supply surplus procedures.	Support. Additionally, Suncor is recommending that work to relieve intertie congestion should be made a priority for the AESO as increasing export and ATC capacities, including at the Alberta / Saskatchewan border, would help alleviate supply surplus conditions on a regional and province wide basis.
4.3.1 Voluntary Generator Curtailment Program (VGCP)	The AESO does not recommend the implementation of the VGCP at this time.	Support: Should gain some operational experience with the new supply surplus rules before determining if this product is needed.
5.0 Rules and Procedures	<p>The AESO recommends the following procedure during supply surplus conditions when there are multiple \$0 offers in the energy market merit order:</p> <ol style="list-style-type: none"> 1) Curtail current hour import transactions as required. 2) Maximize the posted export ATC limit to allow for exports within the hour. 3) Send out a request to market participants to voluntarily reduce generator output (VGCR). 4) Dispatch flexible blocks of the \$0 offers for partial volumes on a pro-rata basis and direct wind generation on a pro-rata basis. 5) Direct assets with inflexible \$0 offers greater than their declared minimum stable generation levels to their declared minimum stable generation levels (MSG). Assets with the greatest difference will be directed first (please see section 6 of the paper for recommendations on MSG). 6) Assess if an asset, due to its operating characteristics, is running at a higher generation level than its minimum stable level because it is providing regulating reserve (RR), then determine if it should be dispatched off for RR. Consider whether 	<p>Overall the general principals of this procedure, during supply surplus conditions, are supported by Suncor. However, the AESO and stakeholders will need to gain further operational experience to test the effectiveness of this procedure and to ensure the protection of oil production and the rights of Industrial System Designations under the EUA.</p> <p>In addition, and as reflected above, before this procedure becomes an official AESO rule, the AESO, with Stakeholder input, will need to finalize an acceptable MSG framework that is flexible enough to allow ISDs to make real time adjustments to MSG amounts without penalty and without impacts to oil production, safety, reliability and the environment. The framework for MSG will need to be tested and improved over time with stakeholder input.</p>

	another asset has offered and has not been dispatched for RR and will not require running at a generation level higher than its minimum stable level (this step is carried over from the existing procedure).	
6.0 Minimum Stable Generation (MSG) and Minimum Operating Level (MOL)	The AESO recommends that a workgroup be established to outline the requirements for the revised definition of MSG and for updating the application of MSG that would allow the participant to enter changes through the energy trading system (ETS) on a time-ahead basis.	100% support and will be attending
7.0 Reporting	The AESO recommends the implementation of a supply surplus report that would provide the market with an indication of supply surplus events prior to real time.	Support.
8.0 Next Steps	The AESO is interested in stakeholder comments on next steps.	Support
Additional Comments		