

AESO Recommendation Paper – Supply Surplus Stakeholder Comment Matrix

Comment Due Date: January 14, 2011

Stakeholder: TransAlta

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.	TransAlta supports developing short term and long term solutions simultaneously, since this will ensure seamless integrations of the solutions.
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.	
4.2.3 Voluntary Generator Curtailment Request (VGCR)	The AESO recommends the implementation of VGCR.	
4.2.4 Exports Within T-2	The AESO recommends the inclusion of allowing exports within T-2 as part of supply surplus procedures.	TransAlta believes that this is not the place to discuss exports or intertie rule changes. Changing exports would only be an ad hoc solution to the problem. Exports rule changes should be discussed in the intertie framework paper.

4.3.1 Voluntary Generator Curtailment Program (VGCP)	The AESO does not recommend the implementation of the VGCP at this time.	
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 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). 	<p>TransAlta would like to suggest that the order of the procedure be rearranged.</p> <ol style="list-style-type: none"> 1. We believe that imports should be curtailed before internal generation since imports are an opportunity service. 2. A request is sent out to market participants to voluntarily reduce generator output (VGCR). 3. TransAlta believes that export rule changes should be consulted in the intertie framework to ensure that it has been contemplated holistically. If exports are allowed within T-2, it should occur after VGCR. 4. Dispatch flexible blocks of \$0 offers for partial volumes on a pro-rata basis and direct wind generation on a pro-rata basis. Units should be able to supply their station service and should not be pro-rated below this value. 5. Direct assets with inflexible \$0 offers greater than their declared MSG to their MSG levels. 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 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.	TransAlta supports the AESO's recommendation to establish a workgroup to further explore this issue. TransAlta believes that a revised definition of MSG will need to be defined that will reflect the real time constraints on generating units. We believe that this definition will need to be defined before the supply surplus rule can be passed, since the definition will greatly affect supply surplus results.
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.	TransAlta supports the implementation of a supply surplus report. This would enable market participants to prepare for supply surplus events.
8.0 Next Steps	The AESO is interested in stakeholder comments on next steps.	
Additional Comments		