



**Implementation of MOF Recommendation Paper  
Stakeholder Comment Form**

Comments From: **SYNCRUDE CANADA LTD.**  
 Date: APRIL 16, 2009  
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<b>1. WIND POWER FORECASTING – Centralized Forecasting Model</b>	
<p>The AESO recommends that a centralized forecasting model be implemented in Alberta.</p> <p><u>Reasons for Stakeholder Position:</u></p>    	<input type="checkbox"/> Support <input type="checkbox"/> Oppose <input checked="" type="checkbox"/> Indifferent
<b>2. WIND POWER FORECASTING – RFP ASAP</b>	
<p>The AESO recommends that solicitation (RFP), evaluation and selection of a centralized forecasting service provider should proceed as soon as practicable.</p> <p><u>Reasons for Stakeholder Position:</u></p>    	<input type="checkbox"/> Support <input type="checkbox"/> Oppose <input checked="" type="checkbox"/> Indifferent
<b>3. WIND POWER FORECASTING</b>	
<p>The AESO will commence consultation on rules, procedures, standards and technical requirements regarding submission of wind generator forecast data/information including; data requirement such as turbine availability and on-site meteorological data, communication protocols, and data quality required from wind generation facilities (or individual forecasters)</p>	<input type="checkbox"/> Support <input type="checkbox"/> Oppose <input checked="" type="checkbox"/> Indifferent



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to deliver forecasts to the AESO.

Reasons for Stakeholder Position:

### 4. WIND POWER FORECASTING – Data Management

As part of its forecasting research and development work, the AESO will continue work to determine the capability, resources, systems and time required to perform the data management function. In parallel, the AESO will include data management as an optional requirement in the wind forecasting RFP.

Support  
 Oppose  
 Indifferent

Reasons for Stakeholder Position:

### 5. FORECASTING ACCURACY

The AESO will monitor forecasting, market and operational results and develop measures of forecasting accuracy. The AESO intends to leverage available data and forecasting resources toward this end.

Support  
 Oppose  
 Indifferent

Reasons for Stakeholder Position:



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**6. FORECASTING - TRANSPARENCY**

The AESO considers that system or aggregate wind forecasts should be transparent and made available to all market participants, particularly near term to real time.

- Support
- Oppose
- Indifferent

Reasons for Stakeholder Position:

**7. WIND POWER MANAGEMENT – Curtailment Protocol**

The AESO seeks stakeholder feedback on the work group recommendations to use a Potential MW Protocol and specifically would like input from stakeholders regarding practicality and risks associated with this option.

- Support
- Oppose
- Indifferent

1. Pro rata allocation of the system wide wind curtailment among Wind Power Facilities (WPF)
2. Use of Potential MW Capability to allocate for each WPF
3. Curtailments should be re-assess and re-allocate every 20 minutes if the limit for any one WPF has changed by greater than 5MW

Reasons for Stakeholder Position:

**8. WIND POWER MANAGEMENT - Supply Surplus**

The AESO solicits input from all stakeholders on the proposed supply surplus protocol and proposed modifications to OPP 103 provided below.

- Support  
 Oppose  
 Indifferent

- (1) Include wind power facilities and co-generation facilities in OPP 103 procedures with co-generation to be subject to Minimum Operating Level (MOL) requirements
- (2) Establish a Minimum Operating Level (MOL) for each asset and, where possible, assets should not be dispatched below their MOL.
- (3) Refine MOL definition to include new constraints not included in Minimum Stable Generation<sup>1</sup> (MSG) but that affect the asset's ability to operate at or below a threshold. MOL is a physical operating limit (not an economic limit) for an asset constrained by legal/regulatory, environmental, health and safety, equipment reliability, operating level required to serve dispatched ancillary services, or operating level required to prevent damages to third party equipment. Examples of physical operating constraints for types of generation and import/export are included in the WG paper (Appendix A).
- (4) Develop a mechanism for pool participants to declare and submit the MOL. It is expected that the need for, approach and frequency of declaration may vary among generators and will need to be defined.
- (5) Revise the current "inflexible block" definition. The definition of "inflexible block" will need to be amended as follows:  
  
"inflexible block" means a block of energy that may be dispatched on or dispatched off, but not partially dispatched on, except for a \$0 offer block it may be dispatched to the asset's MOL.  
  
Definition of "flexible block" does not require any changes since it accommodates the proposed \$0 SMP management protocol.
- (6) Provide market indication of supply surplus conditions (similar to supply adequacy situations) to provide market participants an opportunity to take voluntary actions in the face of potential \$0 SMP conditions and also become aware that an out-of-market dispatch to clear the energy imbalance could be forthcoming.

**Reasons for Stakeholder Position:**

- 1. The inherent nature of cogeneration facilities is to maximize the use of available energy by combining the production of electricity with another process. In Syncrude's case, cogeneration units are used to supply heat for steam production, and to supply heat for various processes. Generator turbines are used to 'let-down' steam from high to low pressure for various processes, to 'let-**

<sup>1</sup> ISO Rule definition for MSG is "minimum stable generation" which means the minimum generation level that an asset can be continuously operated at without becoming unstable.

down' steam from high pressure into condensate for various processes, and to utilize excess heat energy from oil production process units. For any of the 10 cogeneration units at Syncrude, altering the production of electricity will impact the related process.

Our facility offers to sell electricity at \$0.00 to protect ourselves from the likelihood of having to make sudden adjustments to curtail electrical production, preventing adverse effects and a disproportional burden on our related processes.

2. Syncrude Utilities is operated to preserve the integrity of the steam distribution system (maintaining safe and operable pressures, and supplying critical steam-driven equipment) at the expense of electrical production. 8 out of 10 cogeneration units on Syncrude site can be classified as 'bottoming-cycle' cogeneration units, in which case, electrical production is secondary to its accompanying process. As such, these generators do not have the ability to 'safe-park' or revert to a safe 'minimum operating level' on short notice.
3. The purpose of Syncrude's electrical distribution system and cogeneration units is to support the process of oil production. Our connection to the AIES is used to maintain an energy balance on our site, by either importing or exporting electricity. Excess energy on our site, due to an unforeseen change to process conditions, must be dispelled, and the export of electricity is often necessary to maintain this safe and reliable equilibrium.
4. Based on the AESO Recommendation Paper, the proposal is to treat wind generation the same as 'generating units primarily serving load or steam process' with respect to supply surplus conditions. The resulting impact to these two categories of generating assets is very different.
5. The AESO Recommendation Paper indicates that there may be an impact to the DTS tariff as a result of implementing these recommendations. Further details are required before existing ISDs can understand the financial impact of this change.
6. Introducing the proposed changes to OPP 103 would constitute a major change for existing ISDs that operate non-dispatchable cogeneration units, and could have significant unfavourable impacts on the operation at Syncrude. Up to this point, there have been no significant regulatory obstacles in the operation of cogeneration units, or significant restrictions on market participants that operate cogeneration. In this instance, there are many ISDs that were not consulted prior to publishing these proposed changes, and perhaps the impact of the proposed changes is not fully understood.

Syncrude Canada Ltd. is not in favour of removing the existing clause in the current version OPP 103 exempting 'generating units primarily serving on-site load or steam process, including those supplying to industrial systems with industrial system designation'.



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### 9. SUPPLY SURPLUS – protocol

The Supply Surplus work group also developed the following protocol respecting OPP 103:

- Support  
 Oppose  
 Indifferent

**Step 1:** Curtail opportunity services including import transactions.

**Step 2:** Take the following actions, taking into account the transmission system operating and reliability constraints and an objective of rotating the curtailments amongst market participants where possible:

- a. Curtail flexible \$0 blocks, by pro-rata assignment,
- b. Where wind generation is required to be curtailed pursuant to (a), assign the curtailment amongst each individual wind power facility using the wind power management protocol,
- c. Curtail inflexible \$0 blocks to the asset's MOL.

**Step 3:** Curtail an asset to 0 MW (go off line), considering the asset's minimum off time.

Reasons for Stakeholder Position:

**All comments are included in the previous section.**



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### 10. Technical Requirements and Standards

Given the expected difficulty and expense in modifying and/or retrofitting some existing wind power facilities, the WPFTR (s 1.2 g) provided an exemption from the 2004 requirements for any facilities that interconnected under the technical requirements that were in effect prior to November 15, 2004 but specified that these facilities would be required to comply with the WPFTR if the facilities underwent a refurbishment or major upgrade.

- Support
- Oppose
- Indifferent

The AESO considers that this approach is reasonable and prudent but expects that the issue of applicability should be discussed in the rules and standards development and consultation phase. This will include a discussion of the potential grandfathering of certain wind facilities based on the terms and conditions of interconnection agreements and other relevant information.

Reasons for Stakeholder Position:

### 11. ADDITIONAL COMMENTS

Please return this form with your comments by April 3, 2009 to:

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