

AESO Recommendation Paper – Market Suspension Stakeholder Comment Matrix

Comment Due Date: January 14, 2011

Stakeholder: TransCanada Energy Ltd. (“TransCanada”), Greg Moffatt

Section	AESO Recommendation/Feedback Requested	Stakeholder Response
4.0 Policy Coherence and Principles	The AESO is interested feedback as to the AESO’s policy interpretation and principles.	No substantive comments other than to express support for the principles guiding the market suspension rule review.
5.2 Market Operation Tool Outages	The AESO recommends implementing limited market operation, until the dispatching of the EMMO is no longer relevant as deemed by the System Controller, which will then trigger a market suspension.	TransCanada supports this recommendation, particularly the point that “the System Controller may escalate and request authorization from the AESO CEO to invoke market suspension” if the EMMO becomes irrelevant for dispatch and the System controller is dispatching for reliability only.
5.3 Market Suspension for Market Issues	The AESO recommends that market suspension will not be invoked for supply shortfall, supply surplus or transmission constraints.	TransCanada supports this recommendation.
5.4 Market Suspension for Reliability Issues	The AESO recommends that market suspension may be invoked for reliability reasons including the System Controller not able to access the primary control center and the back-up control center, the AIES broken into electrical islands, and AIES blackout.	TransCanada supports this recommendation.

<p>5.5 Authority to Suspend the Market</p>	<p>The AESO recommends that the authority to suspend the market is limited to the CEO of the AESO or his designee, except that in an AIES blackout the System Controller may suspend the market.</p>	<p>TransCanada supports this recommendation.</p>
<p>5.6 Pricing During a Market Suspension</p>	<p>The AESO recommends the energy price during a market suspension to be:</p> <ul style="list-style-type: none"> a) 30 day rolling average on peak price and 30 day rolling average off peak price respectively, prior to the market suspension initiation, or b) \$999.99 when all available MW are dispatched, and the System Controller has invoked the Supply Shortfall procedures. <p>The AESO also recommends that a payment mechanism, similar to that for Long Lead Time Energy, be defined to allow a market participant to recover any shortfall between the energy receipts and their operating costs while generating during a market suspension. The exception to the LLTE incremental generation cost calculation when applied in the case of market suspension is that start up costs will only be included for generating assets that are directed to start by the System Controller during a market suspension, and</p> <ul style="list-style-type: none"> a) directed off by the System Controller during the market suspension, or b) dispatched off by the System Controller upon the cancellation of the market suspension and return 	<p>TransCanada is concerned that the recommendation fails to deliver a price setting mechanism that meets the principles of being visible and transparent as well as administratively simple for all market participants.</p> <p>For these reasons, TransCanada reiterates its initial suggestion that the hourly Pool Price be set equal to the higher of the TMR Reference price (12.5 heat rate multiplied by the Gas Price for the hour, or part thereof) and \$125.00. This pricing option is easily understood, transparent and administratively simple for all market participants.</p> <p>Questions specific to the AESO recommendations:</p> <ul style="list-style-type: none"> 1) How will the 30 day rolling average prices be communicated to market participants? . 2) How will the System Controller determine when all available MW have been dispatched such that Supply Shortfall procedures are invoked and the energy price defaults to \$999.99?

	to normal market operation.	
5.7 Import During a Market Suspension	The AESO recommends that OPP 803 and OPP 807 be applied in a market suspension if the specified conditions are met for importing emergency energy from BC or Saskatchewan.	No comments.
6. Next Steps	The AESO is interested in stakeholder comments on the next steps.	No comments.
Additional Comments		