

## AESO Recommendation Paper – Supply Surplus Stakeholder Comment Matrix

**Comment Due Date:** January 14, 2011

**Stakeholder:** TransCanada Energy Ltd. (“TransCanada”), Chris Best

Section	AESO Recommendation/Feedback Requested	Stakeholder Response
<b>2.0 Purpose 3.0 Introduction/ Background</b>		
<b>4.1.1 Short Term vs. Long Term Solution</b>	The AESO is working on the short term and long term solutions simultaneously.	TransCanada supports the AESO simultaneously addressing short-term and long-term solutions to wind integration.
<b>4.2.1 No Exemption for Wind Generators</b>	The AESO recommends that wind generators are not exempt from supply surplus procedures	TransCanada agrees that wind generation facilities should not be exempt from supply surplus procedures.
<b>4.2.2 No Exemption for Co-generators</b>	The AESO recommends no exemption for co-generators in supply surplus procedures.	TransCanada would support the inclusion of Co-generation facilities in supply surplus procedures as long as the revised definition of MSG respects and reflects on-site industrial processes and steam commitments.
<b>4.2.3 Voluntary Generator Curtailment Request (VGCR)</b>	The AESO recommends the implementation of VGCR.	TransCanada questions the incremental value of VGCR given that supply surplus signals will already be in the market through the supply surplus report the AESO has recently introduced on its website.
<b>4.2.4 Exports Within T-2</b>	The AESO recommends the inclusion of allowing exports within T-2 as part of supply surplus procedures.	TransCanada has no concern with this.

<b>4.3.1 Voluntary Generator Curtailment Program (VGCP)</b>	The AESO does not recommend the implementation of the VGCP at this time.	TransCanada supports the AESO's decision not to pursue VGCP at this time.
<b>5.0 Rules and Procedures</b>	<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"> <li>1) Curtail current hour import transactions as required.</li> <li>2) Maximize the posted export ATC limit to allow for exports within the hour.</li> <li>3) Send out a request to market participants to voluntarily reduce generator output (VGCR).</li> <li>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.</li> <li>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).</li> <li>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).</li> </ol>	TransCanada is generally supportive of this procedure but feels that it hinges on the correct definition and application of MSG.

<b>6.0 Minimum Stable Generation (MSG) and Minimum Operating Level (MOL)</b>	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.	TransCanada feels that the definition and application of MSG is crucial in this issue and supports the AESO's recommendation to establish a work group to move this forward.
<b>7.0 Reporting</b>	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.	TransCanada has no concern with this.
<b>8.0 Next Steps</b>	The AESO is interested in stakeholder comments on next steps.	
<b>Additional Comments</b>		