

Stakeholder Comment Form

**ISO Rules Process
Proposed Level I Changes to Existing ISO Rule 6.6**

NOTE: The ISO is asking market participants to give an initial indication of their support for, or opposition to, the specific ISO rule changes referenced below. Such an initial indication assists in the ISO's practical understanding of the receptivity of the industry to the proposed changes, and in that regard the ISO thanks in advance all market participants who choose to respond. With regard to the specific ISO rule changes and their implications, such responses are without prejudice to the rights of market participants under the Act, any regulations, or related decisions of the Commission.

Date of Request for Comment: May 26, 2009
Period of Consultation: May 26 through June 12, 2009

Comments From: TransCanada
Date: June 12, 2009
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6.6 Pool Participant Non-Compliance with Energy Market Dispatch and Directives	
<p>Definitions – for the purpose of this rule the terms below are defined as follows:</p> <p>“allowable dispatch variance” (ADV) as measured from the dispatch quantity (MW), means for each generating asset:</p> <ul style="list-style-type: none">(i) plus or minus five (5) MW for generating assets with a maximum capability of two hundred (200) MW or less, or(ii) plus or minus ten (10) MW for generating assets with a maximum capability of greater than two hundred (200) MW. <p>“10 minute clock period” means any one of the following six 10 minute periods in any hour:</p> <ul style="list-style-type: none">ME:01 to ME:10ME:11 to ME:20ME:21 to ME:30ME:31 to ME:40	<p>Support Oppose No Comment</p>

ME:41 to ME:50
ME:51 to ME:60

where “ME” means minute ending.

“operational deviation” means:

- (i) a **generating asset** is unable to comply with the **ramping** requirements set out in **rule 6.6.3(a)** or 6.6.3(b), or
- (ii) a **generating asset** operating in **steady state** varies outside its **ADV** due to **force majeure** or any other circumstances related to the operation of the **generating asset** which could reasonably be expected to affect the **available capability** or safety of the **generating asset**, third party facilities, contracts or arrangements, the environment, personnel working at the **generating asset** or the public.

“**ramping**” means the state of operation that begins at the point in time an **energy market dispatch** has been issued for a **generating asset** and continues until the point in time the **generating asset** has reached the quantity (MW) specified in the **energy market dispatch**, plus or minus the **ADV** for that **generating asset**.

“**steady state**” means the state of operation that begins the first **10 minute clock period** following the period in which a **generating asset’s** output has reached the quantity (MW) specified in an **energy market dispatch**, plus or minus the **ADV** for that **generating asset**.

Reason for Stakeholder Positions:

- In the ISO rules, “**dispatch**” is defined as having “*the same meaning as that provided in the Act, which means a direction from the ISO to a pool participant to cause, permit or alter the exchange of electric energy or ancillary services*”. However, the Act defines **dispatch** as “*a direction from the Independent System Operator to a market participant to cause, permit or alter the exchange of electric energy or ancillary services*”. (Emphasis added) Two issues:
 - 1) The definition in the ISO rules takes the meaning in the Act and narrows it down to the pool participant. The two definitions are not consistent.
 - 2) by using “**dispatch**” instead of “**energy market dispatch**” ancillary services can be impacted by Rule 6.6 because of the broader definition of dispatch yet rule 6.5 is the one that should deal with ancillary services.
- In the definition of “ramping”, it indicates that ramping “*begins at the point in time an energy market dispatch has been “issued”*”. This does not work for advanced dispatches. For example, if the ADAMS dispatch has “Time of Instruction” of 9:35 and “Time”

of 10:00, the definition appears to start the clock at the time the dispatch has been issued rather than 10:00 in this example.

Alternate Proposal:

- TransCanada proposes changing the definition to: “ramping” means the state of operation that begins at the point in time after the effective time indicated on the most current **energy market dispatch** and continues...”
- To align rule 6.6 to the ADAMS dispatch, the current heading on the ADAMS labelled as “Time” should be changed to “Effective Time”. In the alternate, pre-dispatches should either be eliminated or the SC be required to issue a real time dispatch if a pre-dispatch has been issued.

6.6.1 Dispatch Compliance Responsibilities

- (a) A **pool participant** may only deliver energy to the **AIES** pursuant to a **dispatch** or a **directive** issued by the **system controller**.
- (b) Subject to the provisions of this **rule 6.6**, a **pool participant** must comply with and follow an **energy market dispatch**.
- (c) With regard to its responsibilities under **rule 6.6.1 e**), a **pool participant** must use all reasonable best efforts to cause any **generating assets** referenced in an **energy market dispatch** or **directive** to be operated to the quantity (**MW**) that is the subject of that **dispatch** or **directive**, using good electric operating practice.
- (d) The **pool participant** must coordinate its energy, **dispatch down service** and **ancillary services** submissions to ensure that it is able to comply with all **dispatches** related to those submissions.
- (e) The **pool participant** must meet its **energy market dispatch** or **directive** compliance responsibilities using a standard of practice attained by exercising the degree of knowledge, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking, including the design, implementation and use of a reasonable **energy market dispatch** or **directive** protocol together with personnel and software systems designed to detect and address errors or omissions in a timely fashion.

Support
Oppose
No Comment

Reason for Stakeholder Positions:

- Occasionally there are significant delays between issuing a restatement and receiving a dispatch. These time delays should not result in non-compliance.
- When (c) and (e) are read together GEOP further qualifies 6.6.1 (e), and therefore arguably means something MORE than the

standard of care in (e). While "Best Efforts" could roughly be translated as "do everything humanly possible" and "Reasonable Efforts", which could be translated to means do economically feasible things, TransCanada recognizes the phrase "reasonable best efforts" is intended to establish a "middle ground" between the two standards.

Alternate Proposal:

- 6.6.1(b): Change "pool participant" to "market participant" so that the PPA Owner is included in this requirement.

6.6.2 Steady state Compliance

- (a) During **steady state**, with reference to an **energy market dispatch** issued to a **pool participant** the average quantity (MW) delivered by a **generating asset** in any **10 minute clock period** must not vary from the **energy market dispatch** quantity (MW) by more than the **ADV**.
- (b) A **pool participant** that is supplying **regulating reserve** from a **generating asset** must ensure that the quantity (MW) delivered in any **10 minute clock period** is:
- (i) not less than the **energy market dispatch** quantity (MW) minus the **ADV** and
 - (ii) not greater than the **energy market dispatch** quantity (MW) plus the **regulation reserve** plus the **ADV**.

Support
Oppose
No Comment

Reason for Stakeholder Positions:

- 6.6.2(a) could create confusion when making a "reference to an **energy market dispatch** issued to a **pool participant**".

Alternate Proposal:

- 6.6.2(a): TransCanada proposes that 6.6.2 (a) be changed to read as follows "During **steady state**, the average quantity (MW) delivered by a **generating asset** in any **10 minute clock period** must not vary from the **energy market dispatch** quantity (MW) by more than the **ADV**."

6.6.3 Ramping Compliance

- (a) In accordance with an **energy market dispatch** issued to a **pool participant**, the output of a **generating asset** which is the subject of the **energy market dispatch** and is **ramping** must be changed in a sustained manner towards the quantity (MW) indicated in that **energy market dispatch** within ten (10) minutes of the time specified in the **energy market dispatch**.

Support
Oppose
No Comment

<p>(b) a generating asset must reach steady state in:</p> <p>(i) no longer than the period of time calculated as follows:</p> <p>(A) divide the incremental energy market dispatch quantity (MW) by the ramp rate submitted by the pool participant in the Energy Trading System;</p> <p>(B) add forty percent (40%) of the time calculated in rule 6.6.3(b)(i)(A) or five (5) minutes whichever is greater;</p> <p>(C) add the ten (10) minutes referred to in rule 6.6.3 (a);</p> <p>and</p> <p>(ii) no sooner than the period of time calculated as follows:</p> <p>(A) divide the incremental energy market dispatch quantity (MW) by the ramp rate submitted by the pool participant in the Energy Trading System;</p> <p>(B) subtract forty (40%) of the time calculated in rule 6.6.3(b)(ii)(A) or five (5) minutes whichever is greater.</p>	
<p><i>Reason for Stakeholder Positions:</i></p>	
<ul style="list-style-type: none"> • 6.6.3(a): There does not appear to be an allowance for time when a pool participant is being ramped up in response to an energy market dispatch and then another energy market dispatch is issued causing the generating asset to ramp back down before meeting its original energy market dispatch level. Such reversals introduce ramping delays for many generating assets as it takes time to stabilize the generating asset before the reversal ramp can begin. • Would the AESO confirm that the circumstance identified above would qualify as an Operational Deviation? 	
<p><i>Alternate Proposal:</i></p>	
<ul style="list-style-type: none"> • 6.6.3(a): TransCanada proposes that 6.6.3(a) be changed to read as “The output of a generating asset that is the subject of an energy market dispatch and must ramp its output up or down accordingly shall commence ramping within 10 minutes of the effective time specified in the energy market dispatch.” 	

6.6.4 Operational deviation Energy Market Dispatch Relief	
<p>(a) With respect to an energy market dispatch, in the event that a generating asset experiences an operational deviation, the pool participant must verbally inform the system controller as soon as practical of the occurrence of the operational deviation and provide a description of the cause if known.</p> <p>(b) The pool participant must inform the system controller by telephone of the information required under rules 6.6.4 (a) on a recorded line on the ISO voice recording system.</p> <p>(c) Unless otherwise instructed by the system controller, the generating asset’s available capability must be restated in accordance with rule 3.5.4.2 by the end of the next full 10 minute clock period after which the operational deviation occurred if the operational deviation extends for that period or longer.</p>	<p>Support Oppose No Comment</p>
<i>Reason for Stakeholder Positions:</i>	
<ul style="list-style-type: none"> 6.6.4(b): a market participant cannot be held accountable for the AESO recording a phone line or the ISO voice recording system, they can only be directed to use a certain line. 	
<i>Alternate Proposal:</i>	
<ul style="list-style-type: none"> 6.6.4(b): TransCanada proposes that 6.6.4(b) be changed to read as “ The pool participant must inform the system controller by telephone of the information required under rule 6.6.4 (a) in accordance with Appendix 4 – Communications with the ISO.” 	
6.6.5 Exceptions to Non-Compliance	
<p>Notwithstanding the provisions set out in rules 6.6.2, 6.6.3 and 6.6.4, a pool participant will not be considered to be non-compliant with an energy market dispatch for a generating asset if the pool participant has met its responsibilities as set out in rule 6.6.1 and if one or more of the following circumstances occur:</p> <p>(a) The generating asset is ramping into position to provide operating reserves in response to an operating reserve dispatch in the fifteen (15) minutes before the time indicated in that dispatch;</p> <p>(b) The generating asset is operating below the minimum stable generation level indicated in the Energy Trading System, but only if that generating asset is:</p> <p>(i) coming on line and its available capability submitted to the ISO is equal to its minimum stable</p>	<p>Support Oppose No Comment</p>

<p>generation and it has received an energy market dispatch for that quantity (MW);</p> <p>(ii) going off line and its available capability submitted to the ISO is equal to zero (0) and it has received an energy market dispatch for that quantity (MW);</p> <p>(iii) unable to follow the ramp rate submitted by the pool participant in the Energy Trading System when its output is being increased to its minimum stable generation and a verbal plan has been submitted to the system controller indicating the proposal for ramping to minimum stable generation, which verbal plan must be updated for deviations of greater than thirty (30) minutes or fifty (50) MW; or</p> <p>(iv) stopped at an output level not identified in the verbal plan referenced in iii) above, but which is below minimum stable generation for more than fifteen (15) minutes for an operational reason and has restated its available capability accordingly.</p> <p>(c) The generating asset is responding to abnormal frequency through automatic governor action;</p> <p>(d) An operational deviation has occurred and the pool participant has complied with rule 6.6.4; or</p> <p>(e) Energy delivered to the AIES from a generating asset while it is being tested or commissioned or both, but only if the pool participant has complied with the ISO Operating Policies and Procedures and has received approval from the system controller.</p>	
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Reason for Stakeholder Positions:

6.6.5: The header reads: “a pool participant will not considered to be non-compliant with an energy market dispatch...h” yet 6.6.5(a) refers to an **operating reserve dispatch** which is not a defined term. This is confusing and needs to be clarified.

Alternate Proposal:

- 6.6.5(a): TransCanada proposes that 6.6.5(a) be changed to read as “The **generating asset** is **ramping** into position to provide **operating reserves** in response to an **ancillary services dispatch** in the fifteen (15) minutes before the time indicated in the **ancillary services dispatch**;”

Other Comments:

- TransCanada is appreciative of the effort and dedication the AESO and industry stakeholders provided in substantially resolving rule 6.6 issues.

Please return this form with your comments by June 12, 2009, to:

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