

AESO Market Roadmap Update - TransCanada Comment Matrix

Section	Subsection	Stakeholder Response
<p>2.1 New Initiatives added to Market Roadmap</p>	<p>New Initiatives added to Market Roadmap</p>	<p>1. Interties</p> <p>TransCanada supports the addition of “Existing Intertie Capabilities” to the AESO’s list of initiatives as a supplement to the AESO’s initiatives regarding interties under the previous Market Roadmap. TransCanada encourages the AESO to keep the restoration of intertie capacity as a high priority.</p> <p>TransCanada supports the AESO’s recommendation to use competitively procured ancillary services to assist in restoring import capability. TransCanada suggests that the development of standing offers for ancillary services with more capability beginning at the end of 2010 might garner more success.</p> <p>2. Market Suspension Rules</p> <p>TransCanada is concerned with the addition of Market Suspension Rules to the AESO’s list of initiatives. TransCanada does not believe a substantial amount of time and effort should be devoted to revisiting a rule to which the AESO should rarely, if ever, have to resort.</p> <p>Further, TransCanada is concerned with the use of Market Suspension Rules as a tool to deal with congestion. TransCanada notes the comment at Appendix A, page 14 that Market Suspension Rules may be used as a part of congestion management. TransCanada submits that the Market Suspension Rules should not be adapted to become part of the congestion management protocol.</p>
<p>2.2 Market Roadmap</p>	<p>Policy Implementation Projects</p>	<p>Page 6 includes a discussion of the AESO’s wind initiatives, including the Market and Operational Framework for Wind Integration in Alberta</p>

<p>Projects Update</p>		<p>(“MOF”). TransCanada will be providing specific comments on the MOF as a part of that consultation. At a high level, TransCanada submits that market-based solutions for issues regarding the integration of wind should be used as opposed to pro rata curtailment and other directives. For examples, Dispatch Down Service (“DDS”) should be procured to offset a fast wind ramp up when wind is at a low level and additional reserves should be procured to deal with a fast ramp down when wind is at a high level.</p> <p>At page 7, the AESO refers to upcoming consultation on Remedial Action Scheme (“RAS”) requirements. From the March 23, 2009, stakeholder meeting, TransCanada understands that the AESO intends to consult upon a Rule regarding interconnection RAS requirements and that the concept of a “system RAS” is also in development.</p> <p>TransCanada looks forward to participating in those consultations. TransCanada supports the development of appropriate RAS schemes (which would be predicated on a market based determination of response providers) for the system as a means of achieving higher transmission utilization. This would permit the transmission system to operate to higher standards (i.e. to “N” rather than “N-1” criteria).</p> <p>With respect to the dispatchability of interties and price setting discussion at pages 7-8, TransCanada recommends considering the use of holding restrictions on “firm” imports/exports when developing firm tariff rates.</p> <p>Finally, TransCanada notes the comment at page 9 that the assessment of interties will include “appropriate cost allocation”. TransCanada submits that any cost allocations should consider the fact that a tie line forms an integral part of the transmission system and, due to its bidirectional flow capability, creates greater price stability and a more efficient market.</p>
	<p>Market Evolution Projects</p>	
	<p>Monitoring & Metrics</p>	

3.1 Major Systems Overview		
3.2 Major System Renovations		
4.0 Project Plan and Timeline		
Appendix A		Please see above comments.
Appendix B		
Any Missing Projects		<p>1. DDS Review</p> <p>At Appendix A, page 13 the AESO states that the only outstanding item in relation to DDS is the six month review. TransCanada submits that a more comprehensive review of DDS offer strategy is required in light of the concerns identified by the Market Surveillance Administrator (“MSA”) in its July 2008 Report.</p> <p>2. Review of the Interconnection Process</p> <p>TransCanada submits that a review of the interconnection process for both load and generation is required. TransCanada has experienced serious delays in the interconnection of its pump stations for the Keystone pipeline. While this is a transmission issue, it also has a significant impact on the market as it relates to the connection of long term relatively high load factor electrical load as well as base load generation.</p> <p>3. Transition of Authoritative Documents (“TOAD”)</p> <p>TransCanada submits that the AESO’s TOAD project should also be listed in the Roadmap as it is a project of significant scope for the AESO and industry.</p>

Implementation Targets		<p>TransCanada would rank the following initiatives as its highest three priorities:</p> <ol style="list-style-type: none">1. Intertie projects, including import capability;2. Congestion management; and3. Interconnection process review. <p>TransCanada appreciates that the Roadmap has attempted to identify and prioritize projects that are and will be needed to assist in the evolution of Alberta's electricity market. While the Roadmap is forward-looking in respect of operations and planning aspects, TransCanada would encourage the AESO to also take a forward-looking approach to the development of market mechanisms.</p> <p>For example, the AESO should commit to procure the ability to mitigate rapid increases or decreases in wind generation by inviting proposals to develop solutions that could address the problem whether these might be fast ramp units, storage or other innovative solutions. In this way, the AESO could lead the required investment so that such capabilities will be in place when needed.</p> <p>Should the AESO have further questions regarding TransCanada's comments, please contact Jim Paton at (403) 920-5594 or jim_paton@transcanada.com.</p>
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