

Stakeholder Comment Matrix

Market Suspension Discussion Paper

Date of request for comment: August 31, 2010

Period of consultation: July 29, 2010 – August 31, 2010

Stakeholder: TransCanada Energy Ltd.

Section	Subsection	Stakeholder Comment
2.0 Purpose 3.0 Introduction		TransCanada supports the notion that a “ <i>market suspension should only occur under extraordinary circumstances and used as a last resort</i> ”.
4.0 Market Suspension Policy and Principles	4.1 Electric Utilities Act (EUA) and Policy documents	
	4.2 Market Suspension Principles <ul style="list-style-type: none"> • Are there any principles that are missing, that should be included? Please include reasons why. • Are there any principles listed that should not be included? Please include reasons why. 	TransCanada suggests that an added principle be that a market participant be allowed to challenge, in front of the AUC, a decision by the AESO to suspend the market thereby adding another level of discipline to the seriousness of a market suspension. However TransCanada acknowledges that this options exists today under section 26 of the EUA.
5.0 Market Suspension Issue Identification Paper –Stakeholder		Nothing to add.

comments		
6.0 Authority to suspend the market	6.1 Authority of the AUC within the rule <ul style="list-style-type: none"> Do you agree or disagree with the AESO's proposal to remove the authority of the AUC to suspend market operations from the rule language? Please include reasons why. 	TransCanada supports removing the AUC as the party deciding to suspend the market BUT as articulated above, the AUC should still be the party to test the circumstances underpinning the decision to suspend the market if a market participant files a complaint.
	6.2 Authority of the System Controller to suspend market operation <ul style="list-style-type: none"> Do you agree or disagree with the AESO's assessment within this section? Please include reasons why. 	TransCanada agrees that a market suspension can only be authorized by the CEO of the AESO and, only under certain circumstances, his designee. (Vacation, illness etc.)
7.0 Options for consideration during the loss of market management tools	7.1 Limited Market Operation – market management tool outages <ul style="list-style-type: none"> Are there any points that the AESO has not considered in it's assessment in Table 1? 	TransCanada supports the notion that the AESO should make every attempt to operate the market even in a limited fashion due to an outage of market management tools. As stated in the paper, in absence of a merit order, the only option left is to suspend the market. To provide transparency and clarity to market participants it might be advantageous to list the <i>"market management tools that the AESO relies on to operate the market"</i> limiting the circumstances when a market suspension could occur.
	7.2 Suspend all markets <ul style="list-style-type: none"> Are there any points that the AESO has not considered in it's assessment in Table 1? 	TransCanada is concerned with the statement that the <i>"SC would not necessarily follow the merit order, but direct generating units to meet the supply demand balance"</i> . This statement appears to conflict a previous statement under 7.0 whereby the paper states <i>"limited market operation can only be considered if there is access to a merit order"</i> .
8.0 Pricing during an energy market suspension	<ul style="list-style-type: none"> Which energy market suspension pricing option proposed in sections 8.1-8.6 does your company support? Are there any other options that should be considered? 	TransCanada supports a modified version of the Reference Price option. (See comments under section 8.3)
	8.1 Similar day demand patterns <ul style="list-style-type: none"> Are there any points that the AESO has not considered in it's assessment on this option in Table 2? 	While the graph might display a reasonable correlation, the granularity is too broad. In other words, if the market was suspended for HE9 to HE12, comparing these 4 hours to the "Monthly Average Pool Price" might yield a significantly different

		<p>correlation. Also, this option would be very difficult for the market to calculate in real time thereby limiting operational adjustments based on price. (A load might not have consumed or a generator may not have run if they knew what the price was going to be) TransCanada therefore objects to using prior averages to settle the market during a suspension.</p>
	<p>8.2 30 Day Rolling Average</p> <ul style="list-style-type: none"> Are there any points that the AESO has not considered in its assessment on this option in Table 2? 	<p>Similar concerns as identified in 8.1 above.</p>
	<p>8.3 Reference Price</p> <ul style="list-style-type: none"> Are there any points that the AESO has not considered in its assessment on this option in Table 2? 	<p>Consistent with Principle 4.2 c), TransCanada suggest modifying this pricing option to determine an hourly price during the market suspension. TransCanada suggests: “the hourly Pool Price would 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 would provide simplicity, transparency and visibility to market participants during a market suspension event.</p> <p>In the alternative, there is a pricing mechanism through Article 11 - Ancillary Services for payments to generators who are directed to provide unforeseeable TMR Services. One issue with this approach during a market suspension is transparency. The market will not know what the clearing price is (hour by hour) during the suspension.</p>
	<p>8.4 Status Quo</p> <ul style="list-style-type: none"> Are there any points that the AESO has not considered in its assessment on this option in Table 2? 	<p>This option does not reflect gas price fluctuations, a significant factor for some generators. The issue with using the last block receiving an energy market dispatch is that market supply/demand mix could change drastically. If a market suspension bridged different demand periods like off-peak to on-peak then to super-peak, holding the price constant through these hours may not be fair.</p>
	<p>8.5 Same day of the week</p> <ul style="list-style-type: none"> Are there any points that the AESO has not considered in its assessment on this 	<p>Although this option comes fairly close to real time pricing, (it is looking at hourly prices versus monthly averages) the granularity in the graph does not adequately determine an appropriate</p>

	option in Table 2?	correlation.
	8.6 Combined approach <ul style="list-style-type: none"> Are there any points that the AESO has not considered in its assessment on this option in Table 2? 	This approach would be acceptable to TransCanada if the methodology (as modified above) under 8.3 were incorporated into 8.6.c).
9.0 Market Suspension for reliability issues		TransCanada generally agrees with the comments in this section.
10.0 Market Suspension for market issues		TransCanada does not support a market suspension for market issues like supply surplus or insufficiency. There are other rules dealing with these situations. (and even some that are being contemplated like supply surplus)
11.0 Importing during a market suspension	<ul style="list-style-type: none"> Are the existing mechanisms under OPP 807 and OPP 803 sufficient during a market suspension? 	Utilizing the modified approach that TransCanada recommends above, imports will have reasonable visibility to an hourly “market price” which should facilitate imports as required. The same holds true for exports.
12.0 Next steps		
Additional Comments		