

Information documents are not authoritative. Information documents are for information purposes only and are intended to provide guidance. In the event of any discrepancy between an information document and any authoritative document<sup>1</sup> in effect, the authoritative document governs.

## 1 Purpose

This information document relates to the following authoritative document:

- Section 206.1 of the ISO rules, *Interim Secondary Offer Cap* (“Section 206.1”).

The purpose of this information document is to provide market participants with clarity regarding Section 206.1.

## 2 Background

Section 206.1 facilitates the requirements and objectives of the *Market Power Mitigation Regulation*, AR 42/2024. Pool participants may also refer to the *Market Power Mitigation Regulation* for further guidance.

## 3 Notification and Reporting

All requirements for the AESO to report and notify pool participants under Section 206.1 are done through Energy Trading System (“ETS”) reports on the AESO website. This includes communication of the monthly cumulative settlement interval net revenue, notification of when the secondary offer price limit is in effect, and determination of the secondary offer price limit.

The *Monthly Cumulative Settlement Interval Net Revenue* ETS report is available both as a current and historical report. This report displays the monthly cumulative settlement interval net revenue next to the 1/6 annualized unavoidable costs calculated for the month, for each settlement interval, as calculated using the methodology in subsection 4 of Section 206.1. This report also displays whether the secondary offer price limit has been triggered, which occurs if the monthly cumulative settlement interval net revenue exceeds 1/6 annualized unavoidable costs.<sup>2</sup> The secondary offer price limit being triggered in a settlement interval does not mean that the secondary offer price limit is in effect for that settlement interval, but rather in effect starting following the next 2 settlement intervals and through to the end of the month.<sup>3</sup>

The *Secondary Offer Price Limit* ETS report is available as both a current and historical report. It reports whether the secondary offer price limit is in effect and if so, the corresponding secondary offer price limit. When in effect, the secondary offer price limit for future settlement intervals will be posted when the ICE NGX Day Ahead Gas Price becomes available to the AESO. The ICE NGX Day Ahead Gas Price is applied to the gas day or days it is applicable to, meaning that changes in offer price limits will typically be effective at the start of a gas day, which is 08:00 Mountain Standard Time (09:00 Mountain Daylight Time). A null value will be posted for the secondary offer price limit value when it is not in effect.

The *Monthly Cumulative Settlement Interval Net Revenue and Secondary Offer Price Limit Report* is displayed on the main landing page of ETS<sup>4</sup>. This is a summary report that displays information that is also available from the *Monthly Cumulative Settlement Interval Net Revenue* and *Secondary Offer Price Limit* reports. A null value will be posted for the secondary offer price limit value when it is not in effect.

<sup>1</sup> “Authoritative document” is the general name given by the AESO to categories of documents made by the AESO under the authority of the *Electric Utilities Act* and associated regulations, and that contain binding legal requirements for either market participants or the AESO, or both. Authoritative documents include the ISO rules, the reliability standards, and the ISO tariff.

<sup>2</sup> With respect to the secondary offer price limit, “triggered” refers to the moment when the monthly cumulative settlement interval net revenue exceeds 1/6 annual unavoidable costs and all remaining settlement intervals in the month.

<sup>3</sup> With respect to the secondary offer price limit, “in effect” refers to any settlement interval in which there is a secondary offer price limit.

<sup>4</sup> Title abbreviated to *MCSINR and Secondary Offer Price Limit Report* on main landing page of ETS.

#### 4 Restatements

When the monthly cumulative settlement interval net revenue exceeds the 1/6 annualized unavoidable costs, the secondary offer price limit is triggered. The monthly cumulative settlement interval net revenue for the preceding settlement interval will usually be posted approximately 15 minutes into a settlement interval, following the establishment and posting of pool price. However, pool price posting may occasionally be delayed. To ensure that pool participants have enough time to restate their offers, Section 206.1 sets out that the AESO will not calculate monthly cumulative settlement interval net revenue in the last 20 minutes of a settlement interval.

After the secondary offer price limit has been triggered, the secondary offer price limit will be posted in the *Secondary Offer Price Limit* and *MCSINR and Secondary Offer Price Limit* ETS reports, effective for the first settlement interval that is more than two hours from the time of posting. Pool participants will have the remaining time within the settlement interval to restate any applicable offers as per the requirements of Section 206.1. The “Public Notification Time” column of the *Secondary Offer Price Limit* report indicates the time that the Secondary Offer Price Limit was posted to the report.

#### Revision History

Posting Date	Description of Changes
2024-07-01	Initial release.