

# Information Document

## Energy Offers and Bids

### ID #2012-008R



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(s)<sup>1</sup> in effect, the Authoritative Document(s) governs.

## 1 Purpose

This Information Document relates to the following Authoritative Document:

- Section 203.1 of the ISO rules, *Offers and Bids for Energy* ("Section 203.1").

The purpose of this information document is to provide additional background information on the requirements for offers and to clarify procedural applications of the requirements contained in Section 203.1. This information document is likely to be of interest to pool participants who own or operate source assets and/or sink assets.

## 2 Net-to-Grid Offer Requirements

Subsection 3 of Section 203.1 sets out the obligation for all source assets five (5) MW or greater to submit offers. Pool participants with on-site load may choose to offer their energy net-to-grid rather than offering their gross generation. They may do so by entering the source asset's maximum capability as only the energy that they expect to export to the grid rather than the entire generating capacity of the source asset. The AESO then deems the source asset's size to be equivalent to such maximum capability. If a pool participant expects to export energy net-to-grid of more than five (5) MW (i.e. their maximum capability is greater than five (5) MW), the pool participant is obligated to submit offers.

## 3 Inflexible Market Offers

Subsection 3 of Section 203.1 sets out the information that must be included in an offer. Offers can be made up of up to seven operating blocks. Subsection 3(3)(c) of Section 203.1 requires pool participants to indicate whether each operating block is flexible or inflexible. When an operating block is flexible, the AESO may issue a dispatch for all or a portion of the energy contained in that operating block. When an operating block is inflexible, the AESO may only issue a dispatch for the total volume of the energy in the operating block.

If the total volume of the energy in an inflexible operating block is not required, the AESO may bypass that operating block in the energy market merit order and dispatch the next operating block that satisfies current volume requirements. The pool participant's inflexible operating block will not be dispatched until the real time energy requirements reach a point where the full volume of the operating block is required.

Please also note that Section 202.5 of the ISO rules, *Supply Surplus* includes specific provisions regarding the treatment of flexible/inflexible operating blocks during events of supply surplus.

## 4 Operating Constraints

Subsection 6 of Section 203.1 sets out the obligation for submitting a source asset's relevant operating constraints. Clarification of those operating constraints is set out below. As well, subsection 6(2) requires pool participants to re-submit operating constraint information "as soon as reasonably practicable" when those operating constraints change. The AESO expects that when a pool asset's operating constraints (as listed below) change, the pool participant also updates that operating constraint within fifteen (15) minutes of becoming aware of the change. Minimum on-time, minimum off-time and maximum run-up time are not mandatory operating constraints required Section 203.1 but the capability exists to enter them in the Energy Trading System.

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<sup>1</sup> "Authoritative Documents" 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 regulations, and that contain binding legal requirements for either market participants or the AESO, or both. AESO Authoritative Documents include: the ISO rules, the Alberta reliability standards, and the ISO tariff.

#### 4.1 Ramp Rate

Ramp rate is defined in the AESO's *Consolidated Authoritative Document Glossary*. Regarding subsection 6(2), the AESO expects that when a source asset's ramp rate changes, the pool participant also updates the ramp rate within fifteen (15) minutes of becoming aware of the change, and ideally no later than the beginning of the settlement interval in which the new ramp rate is to be used.

#### 4.2 Initial Start-up Time

Additional detail on the initial start-up time operating constraint can be found in Section 202.4 of the ISO rules, *Long-lead Time Energy*.

#### 4.3 Minimum On-time and Minimum Off-time

Minimum on-time describes the amount of time, in minutes, needed for a source asset to fully warm up and reach a point where shutting down the generating unit would not cause undue wear and tear. Minimum off-time describes the amount of time needed for a generating unit to fully cool down and reach a point where starting up the generating unit again would not cause undue wear and tear.

#### 4.4 Maximum Run-up Time

Maximum run-up time is the time, in minutes, required for the generating unit to reach minimum stable generation once it is synchronized to the grid.

In general, the AESO uses the operating constraints a pool participant submits to gauge compliance with the applicable ISO rules, making it in a pool participants' best interest to ensure that they are kept accurate.

#### Revision History

Posting Date	Description of Changes
2017-04-04	Addition of Section 3; and Administrative Amendments
2013-01-08	Initial Release