

Proposed Amended Section 203.1 of the ISO rules, *Offers and Bids for Energy*

Date of Request for Comment:	November 20, 2018		
Period of Comment:	November 20, 2018	through	December 5, 2018

Blackline of Suggested Rule Wording	Rationale	AESO Replies
<p>Capital Power Corporation (“Capital Power”)</p> <p>Subsection 6 requires additional clarity, at minimum, as it relates to: i) what instances require a ramp rate as opposed to a ramp table; ii) how this information will be used; iii) what means of submission and how frequently market participants will be expected to provide this information; and iv) what level of variance in ramping capability constitutes a “change.”</p>	<p>From its <i>Comprehensive Market Design</i> (“CMD”) consultation process, Capital Power understands that the AESO is proposing the new requirement to submit a ramp table under draft subsection 6(1)(b) to ensure greater certainty and improved information for AESO system controllers as compared to the single submitted ramp rate provided today. Capital Power does not necessarily oppose the requirement to submit more detailed ramp information provided that greater clarity is provided by the AESO.</p> <p>1) Clarify in the rule when only a single ramp rate is required as opposed to a more detailed ramp table.</p> <p>The applicability of subsections 6(1)(b) appears to be sufficiently defined – generating source asset or a load sink asset; however, it remains unclear in what instances only a single ramp rate is required. Therefore, it would be helpful for the AESO to specify at subsection 6(1)(a) when a single ramp rate would be appropriate as opposed to a table. Alternatively, this could be described in a related information document with examples for different resources types (e.g. wind, thermal generating unit, hydro facility, etc.) or circumstances (e.g. constant ramp rate across entire production profile).</p> <p>2) Confirm use of the ramp table is for dispatch certainty purposes only.</p> <p>In the CMD proposal and rationale documents, the AESO</p>	<p>The submission of a single ramp rate and a ramp table are two separate requirements. The ramp rate is used for ramping compliance under Section 203.4 of the ISO rules, <i>Delivery Requirements for Energy</i>. The ramp table will be used by AESO system controllers for information on dispatch certainty in real time and input in the AESO’s dispatch forecasting tool.</p> <p>The AESO has posted an information document that provides additional information regarding ramp table requirements. Participants are encouraged to provide feedback on this information document if further clarity is required.</p> <p>The AESO confirms that, at this point in time, the ramp table will only be used by AESO system controllers for information on dispatch certainty in real time and input in the AESO’s</p>

	<p>notes that the information provided in the ramp table would be used to provide greater certainty for system controllers. While Capital Power can appreciate the value of more detailed information, it would be helpful for the AESO to confirm whether this will be the only use of this information or whether the AESO intends on using this information for other purposes (e.g. performance framework, dispatch compliance, etc.). Even if improved certainty for system controllers is the sole purpose, Capital Power also requests that the AESO provide additional detail regarding how this information will be used and maintained.</p> <p>3) Specify in the rule what content is to be provided in the ramp table and the manner in which market participants are expected to submit this information.</p> <p>From the phrase “in the manner the ISO specifies” at subsection 6(1)(b) of the proposed amended rule, it remains unclear what information must be provided as part of the ramp table and how it is expected to be transmitted. Consequently, Capital Power recommends that the AESO specify these details. Given that this is a potentially new requirement, the AESO should also outline, at minimum in an information document, the process and form for the submission of information related to the ramp table including an example of this submission. Among other things, it would be helpful to market participants if the AESO can confirm the basis for establishing the values to be provided in the ramp table (i.e. ramp profile based on ideal or seasonal conditions, OEM rating, other) and clarify that the ramp table would be applicable for the normal operating range of the asset (i.e. output above minimum stable generation). Lastly, Capital Power recommends that if this requirement is implemented, submissions should be in the form of a template to be uploaded as a file through the AESO’s ETS interface.</p> <p>4) Establish in the rule a threshold level of change allowing a margin of variance in ramping capability before requiring the submission of updated information.</p> <p>A plain reading of the language proposed at draft subsection</p>	<p>dispatch forecasting tool. However, the ramp table is a vital part of the dispatch tolerance consultation in the future, and may inform dispatch tolerance and ramping compliance design.</p> <p>The AESO is currently working on the IT implementation project for the submission of the ramp table and will provide further information regarding the manner in which it is submitted in the information document once the AESO has more details.</p> <p>The requirement to submit the ramp table “in the manner the ISO specifies after a date specified by the ISO” is an authoritative requirement. It is necessary to include it in order for the AESO to compel provision of the relevant data in a format and via a method the AESO can effectively use.</p> <p>The AESO has posted a draft information document that provides information regarding the required content within the ramp table. Participants are encouraged to provide feedback on the posted draft information document if further information or clarity is required.</p> <p>The AESO intends for the values in the ramp table to reflect the real-time operating characteristics of the asset, and to be updated with any changes to the operating constraints of the asset as soon as reasonably practicable.</p>
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	<p>6(2), particularly the phrase “any changes to the operating constraints of a source asset,” would require a pool participant to update the AESO of any change in ramping capability as soon as reasonably practicable regardless of materiality. As it currently stands, this requirement is too stringent and is likely to result in unnecessary administrative burden. Consider, for example, a ramp rate of 8 MW/min that were to temporarily decrease by 0.1 MW/min to 7.9 MW/min. Though insignificant and short-lived, this would nevertheless constitute as a change and an update of this operating constraint pursuant to subsection 6(2) would be required. Instead, Capital Power recommends that a threshold level of change be instituted and specified at subsection 6(2). Capital Power proposes that an update to ramping information should be required if such a change were less than 1 MW/min or is not expected to persist beyond 1 hour. This would strike a more reasonable balance between increasing information accuracy and minimizing administrative burden.</p>	<p>Please review the associated information document and provide any comments related to updates to the ramp table in the stakeholder comment matrix.</p>
<p>For consistency, amend draft subsection 6(2) to apply to both source and sink assets.</p> <ul style="list-style-type: none"> A pool participant must submit to the ISO any changes to the operating constraints of a source asset or sink asset as soon as reasonably practicable. 	<p>Given that the proposed requirement to submit ramping information at draft subsection 6(1)(b) is applicable to both source and sink assets, applicability of the requirement to report any changes should also be the same. Therefore, Capital Power recommends adding the language in the adjacent cell to include sink assets for consistency.</p>	<p>Capital Power’s proposed amendment is captured in the <i>Proposed New and Amended ISO Rules and Terms and Definitions for the Implementation of the Capacity Market</i>.</p>
<p>Suncor Energy Inc. (“Suncor”)</p> <p>6(1)(b) for a generating source asset or a load sink asset, a ramp table in the manner the ISO specifies after a date specified by the ISO that is no later than November 1, 2021; and</p>	<p>The AESO has not provided the issue this amendment is intended to address, the purpose for this amendment, or any data/analyses to support the amendment as required by Alberta Utilities Commission Rule 017: <i>Procedures and Process for Development of ISO Rules and Filing of ISO Rules</i> (“AUC Rule 017”). Accordingly, Suncor is unable to assess whether subsection 6(1)(b) should be maintained, amended, or deleted. Suncor opposes any change to this section until it can be evaluated using the information the AESO is required to provide under AUC Rule 017.</p>	<p>The AESO identified both the overarching issue this amendment is intended to address, and the purpose for this amendment in its letter of notice.</p> <p>The AESO previously provided background and supporting analysis for the ramp table proposal during the Energy and Ancillary Services workgroup sessions conducted throughout the Straw Alberta Market (“SAM”) and Comprehensive Market Design (“CMD”) processes. The particular discussions to note are the discussions around the issue of dispatch certainty, and how the current single submitted ramp rate poorly reflects the</p>

		<p>actual ramp characteristics of individual assets. Access to improved ramp information will provide AESO system controllers better certainty of how an asset will ramp in response to dispatches. In addition, in sections 10.2.9 -10.2.12 of the <i>CMD Final Rationale</i> document the ramp table requirement is specified with additional rationale. Participants are encouraged to review the materials posted on the AESO's website during the CMD and SAM discussions. Some of the key documents to note include the presentation shared on April 5, 2018 titled "EAS-WG-Roadmap Discussion Flexibility", and the document comparing ramp submission options shared on May 3, 2018 titled "Managing Dispatch Uncertainty".</p> <p>The AESO does not have any additional data or analyses to provide in relation to this amendment.</p>
<p>TransAlta Corporation ("TransAlta")</p> <p>3(2) A pool participant must, for each settlement interval, submit an offer for each of its source or sink assets subject to a capacity commitment with a maximum capability of 1 MW or greater.</p>	<p>The must offer requirement should apply to all capacity committed resources, as indicated in our recommended changes to the rule language in yellow highlighted text.</p> <p>The proposed capacity market design applies a "must offer, must comply" requirement to all capacity committed resources. This is necessary not only to achieve the desired market design but in order to ensure that all capacity committed resources meet their availability performance requirements. We are unclear how a capacity committed resource that is less than 5 MW would be measured for availability performance if they do not offer into the merit order.</p>	<p>The proposed amendment of subsection 3(2) to reflect capacity committed assets is out of scope for the Category 2 ISO rule amendments.</p>
<p>6(1) A pool participant that submits an offer must also submit the following operating constraints:</p> <ul style="list-style-type: none"> (a) ramp rate; (b) for a generating source asset or a load sink asset, a ramp table in the manner the ISO specifies after a date specified by the ISO that is no later than November 1, 2021; and 	<p>Strike the wording "in the manner the ISO specifies after a date specified by the ISO", which provides no clarity about the requirement and is unnecessary, as indicated in our yellow highlighted text on the left.</p>	<p>See the AESO's response to Capital Power's question (3) above.</p>

<p>the initial start-up time.</p>		
<p>TransCanada Energy Ltd. (“TCE”)</p> <p>Operating Constraints for Offers</p> <p>6(1) A pool participant that submits an offer must also submit the following operating constraints:</p> <ul style="list-style-type: none"> (a) ramp rate; (b) for a generating source asset or a load sink asset, a ramp table in the manner the ISO specifies after a date specified by the ISO that is no later than November 1, 2021; and (c) the initial start-up time. <p>(2) A pool participant must submit to the ISO any changes to the operating constraints of a source asset as soon as reasonably practicable.</p>	<p>TCE does not, in general, oppose the requirement to provide a ramp table. However, it is opposed to this proposed change that permits the AESO to establish the manner and timing of the requirement to provide a ramp table at a later date without appropriate Commission oversight to ensure such requirements meet the principles of FEOC and are in the public interest. TCE considers the manner and timing of providing a ramp table to be authoritative in nature. Accordingly, such information should be included in this rule.</p> <p>While it will likely be the case that the AESO specifies a matter and timing that is reasonable, the proposed language would permit the AESO to specify the manner and timing without first consulting market participants. This may result in a requirement with which market participants cannot reasonably comply. TCE submits that this (i.e., the obligation to consult) is another fundamental reason why requirements placed upon market participants must be specified in rules rather than in information documents or guidelines.</p> <p>TCE recommends that the AESO delay this proposed change until such time that it can determine the manner and timing of the ramp table and is able to include such information in the proposed rule amendment.</p>	<p>See the AESO’s response to Capital Power’s question (3) above.</p> <p>The ISO rule is intended to provide the overarching requirement for market participants to submit a ramp table, while the information document is intended to provide additional clarity and examples to market participants on how the information would be submitted to the AESO. Ramp rate submission may vary for certain participants, i.e. submission of ramp rates for a firm consumption level asset may differ from that of a generation asset, thus the information document is intended to provide the specific cases and examples of how the information would be submitted.</p> <p>The AESO will review if any further changes are required to the ISO rule to ensure clarity once feedback on the information document has been received.</p>

Please provide your comments on the following (as set out in AUC Rule 017 s. 7.2(b-j)):

Item #		Stakeholder comments	AESO Replies
1	whether you are of the view that proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i> relates to the capacity market and why or why not	<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Capital Power does not consider the proposed amendments to this authoritative document as being essential to the establishment or necessary for the operation of the forthcoming capacity market.</p>	The AESO acknowledges Capital Power’s comment.
		<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>The amendments do not directly relate to the capacity market.</p> <p>Section 203.1: <i>Offers and Bids for Energy</i> relates to the energy market and price formation.</p>	The AESO acknowledges TransAlta’s comment.
		<p><u>TransCanada Energy Ltd. (“TCE”)</u></p> <p>No.</p>	The AESO acknowledges TCE’s comment.
2	if the answer to item #1 is yes, whether you agree that proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i> should or should not be in effect for a fixed term and why or why not	<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Capital Power does not see any rationale for prescribing a fixed term for the proposed rule changes and, as such, believes that the proposed rule should not be in effect for a fixed term. This will provide needed certainty to market participants regarding the longevity of the capacity market rules and design.</p>	The AESO acknowledges Capital Power’s comment.
		<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>Section 202.7 is a permanent ISO rule and should not be in effect for only a fixed term.</p>	The AESO acknowledges TransAlta’s comment.
3	whether you understand and agree with the objective or purpose of proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i> and whether, in your view, proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i> meets the objective or	<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>While Capital Power understands the general objective or purpose of the proposed requirement to submit a ramp table, it remains unclear why it is a priority to implement the related amendments at this time. Consideration of the broader issue of dispatch certainty is currently planned for the Roadmap consultation where further</p>	The AESO conducted extensive consultation during the CMD process around the issue of dispatch certainty, and the fact that the information that is currently submitted by participants (the single ramp rate) is a concern for the AESO that should be addressed as soon as possible. Enhancing the information

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	purpose	discussion regarding the ramp table may be necessary and more appropriate.	available for AESO system controllers improves the AESO's ability to manage net demand variability issues in that it enhances the dispatch forecasting tools, driving better and more certain dispatch decisions by system controllers.
		<p><u>Suncor Energy Inc. (“Suncor”)</u></p> <p>The AESO has not provided the objective or the purpose for its proposed amendments to this rule. Accordingly, the appropriateness or effectiveness of the proposed amendments cannot be evaluated.</p>	See the AESO's response to Suncor's comment above.
		<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>The “must offer, must comply” requirement should apply to all capacity committed resources regardless of size.</p> <p>We do not agree that the amended offer requirements properly reflect the proposed capacity market design and could lead to unfair treatment between capacity committed resources that are greater than 5 MW and those that are less than 5 MW. More specifically, we are unclear how a capacity committed resource that is less than 5 MW will be measured for their availability performance requirement, which specifically relates to a requirement to offer available capacity in the energy market. It would not be fair to assess a capacity committed resources that are less than 5 MW that does not have to offer in the energy market as complying with their availability performance requirement in the capacity market.</p>	See the AESO's response to TransAlta's comment above.
		<p><u>TransCanada Energy Ltd. (“TCE”)</u></p> <p>TCE understands the objective and purpose of the proposed rule change, but opposes the manner in which it is proposed. The proposed change may not meet the objective if market participants are unable to comply with the manner and timing that the AESO specifies at a later date.</p>	The AESO acknowledges TransCanada's comments. See the AESO's response to Capital Power above with respect to providing feedback on the information document.

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4	how, in your view, proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i> affects the performance of the capacity market and the electricity market	<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	The AESO acknowledges Capital Power’s comment.
		<p><u>TransAlta Corporation (“TransAlta”)</u> The application of different standards and requirements on capacity committed resources based on size could undermine the performance of the capacity market. We are concerned that the performance requirements for capacity committed resources that are less than 5 MW is less stringent than the requirement on larger units and that the more lenient standard (no offer requirement) weakens the incentives to perform and results in a different supply adequacy product than is supplied by other capacity resources. Smaller units would have less penalty risk and would be unfairly advantaged compared to larger units that have higher penalty risk. This could ultimately drive to distortion in the market that drive results away from a competitive outcome.</p>	See the AESO’s response to TransAlta’s comment above.
5	your views on any analysis conducted or commissioned by the AESO supporting proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i>	<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	The AESO acknowledges Capital Power’s comment.
		<p><u>TransAlta Corporation (“TransAlta”)</u> We are not aware of any analysis conducted or commissioned by the AESO supporting the proposed amendments to Section 203.1.</p>	See the AESO’s response to Suncor above.
6	whether you agree with proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i> taken together with all ISO rules and in	<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	The AESO acknowledges Capital Power’s comment.

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	light of the principle of a fair, efficient and openly competitive market	<p><u>TransAlta Corporation (“TransAlta”)</u> We do not agree that the amendments support a fair, efficient and openly competitive market. Please see our response to Item #3 and #4 above.</p>	See the AESO’s response to TransCanada’s comment directly below.
		<p><u>TransCanada Energy Ltd. (“TCE”)</u> TCE would not consider the FEOC principle to be met if market participants are unable to comply with requirements specified by the AESO at a later date.</p>	The AESO is unclear which aspect of the FEOC principle TransCanada is referring to. The AESO does not agree that specifying at a later date the manner in which data is required to be provided fails to meet the FEOC principle.
7	whether you would suggest any alternatives to proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i>	<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	The AESO acknowledges Capital Power’s comment.
		<p><u>TransAlta Corporation (“TransAlta”)</u> Not at this time.</p>	The AESO acknowledges TransAlta’s comment.
8	if the answer to item #1 is yes, whether you agree that proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i> supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	The AESO acknowledges Capital Power’s comment.
		<p><u>TransAlta Corporation (“TransAlta”)</u> We do not agree that the amendments support a reliable supply of electricity because they create different standards of performance and could undermine achieving a competitive outcome that supports reasonable costs to consumers. Please see our response to Item #3 and #4 above.</p>	The AESO is unclear which amendments TransAlta is referring to. The AESO is of the opinion that the amendments support a reliable supply of electricity.
9	whether you agree that proposed amended Section 203.1 of the ISO rules, <i>Offers and Bids for Energy</i> supports the public interest and why or	<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	The AESO acknowledges Capital Power’s comment.

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	why not	<p><u>TransAlta Corporation (“TransAlta”)</u> Please see our response to Item #3 and #4 above.</p>	The AESO acknowledges TransAlta’s comment.
10	whether you have any additional comments	<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no additional comments at this time.</p>	The AESO acknowledges Capital Power’s comment.
		<p><u>TransCanada Energy Ltd. (“TCE”)</u> No comments at this time.</p>	The AESO acknowledges TCE’s comment.