

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.

[NTD: The AESO notes that it is currently considering replacing Section 5(5) of the proposed Section 203.5 of the ISO rules, *Energy Market Mitigation*, with Table 1 from Section 2 below.]

### 1 Purpose

This Information Document relates to the following Authoritative Document:

- Section 203.5 of the ISO rules, *Energy Market Mitigation* (“Section 203.5”).

The purpose of this Information Document is to provide clarity to market participants about how the AESO will treat prescribed assets pursuant to Section 203.5 and the identity of those assets.

### 2 Treatment of Prescribed Non-Thermal Generating Source Assets Capable of Storing Energy

Sub-section 5(5) of Section 203.5 requires that the ISO publish the asset-specific requirements for participation in the ancillary services market on the AESO website. These requirements are set out in this section.

A prescribed non-thermal, energy-limited source asset will be assigned an asset-specific reference price equal to the energy market price cap for the entire asset in a given settlement interval if it has, for the settlement interval, met the minimum quantity requirements for each of the predetermined ancillary services products set out in Table 1.

Otherwise, a prescribed asset's short-run marginal cost will be deemed to be equal to the most recent 30-day rolling average pool price at the time the mitigation process is run. Its asset-specific reference price will then be determined as though it was any other asset located in Alberta, i.e., a multiple (3 or 6) of short-run marginal cost based on the supply cushion.

Submitted energy offers for prescribed assets will only be mitigated to their asset-specific reference price if the controlling firm is determined to have market power as a result of application of the Residual Supply Index test.

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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 associated 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.

Table 1: Predetermined ancillary services products and minimum quantity of offers

Predetermined ancillary services product	Minimum quantity of offers
Active Regulating Reserves	The lesser of the asset's Maximum Qualified Capacity (MQC) to provide Regulating Reserve and its maximum capability to produce Regulating Reserves in the settlement interval at the time of the ancillary services auction.
Active Spinning Reserve	The lesser of the asset's MQC to provide Spinning Reserve and its maximum capability to produce Spinning Reserves in the settlement interval at the time of the ancillary services auction <i>less</i> the volume of cleared Active Regulating Reserve to be provided by the asset in the same settlement interval.
Active Supplemental Reserve	The lesser of the asset's MQC to provide Supplemental Reserve and its maximum capability to produce Supplemental Reserves in the settlement interval at the time of the ancillary services auction <i>less</i> the volume of cleared Active Regulating Reserve to be provided by the asset in the same settlement interval <i>less</i> the volume of cleared Active Spinning Reserve to be provided by the asset in the same settlement interval.

For each ancillary service product, the ISO will follow the practice of bidding at a price sufficiently high such that it expects the market to clear at a strictly lower price level.

Sub-section 5(2) of Section 203.5 requires the ISO to publish the list of such prescribed generating source assets on its website. This list of assets is provided in Table A1 in the Appendix.

### 3 Appendix: List of Prescribed Assets

Table A1: Prescribed Assets (Asset ID)

BIG
BOW1
BRA

#### Revision History

Posting Date	Description of Changes
	Initial release