

Information Document

Variables used in Energy Market Mitigation

ID # [xxxx-xx]



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)¹ in effect, the Authoritative Document(s) governs.

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 implement elements of the energy market mitigation process that are not explicitly set out in the Section 203.5.

2 Calculation of Supply Cushion and the Residual Supply Index

The variables defined in Table 1 are used in the calculation of the expected supply cushion and the residual supply index.

Table 1: Definition of variables

Variable	Definition
Expected Supply in Merit Order _t	The sum of the Available MW of each operating block of each source asset in the merit order for the forecast settlement interval t.
Expected Supply in Merit Order _{it}	The sum of the part of the Available MW of each operating block of each source asset in the merit order that is controlled by person i as defined by section 8(1) of Section 203.5 for the forecast settlement interval t.
Expected Demand met by Merit Order _t	The sum of the Available MW of each operating block of each source asset in the merit order that is expected to be dispatched to meet the best available forecast of demand for the forecast settlement interval t.
Expected Supply Obligations _{it}	The quantity of supply obligations identified to the ISO by person i as defined by section 8(2) of Section 203.5 for the forecast settlement interval t.

2.1 Calculation of expected supply cushion

The expected supply cushion for the forecast settlement interval t, Expected Supply Cushion_t, is defined as:

$$\text{Expected Supply Cushion}_t = \text{Expected Supply in Merit Order}_t - \text{Expected Demand met by Merit Order}_t$$

For additional clarity, Expected Supply Cushion_t is the sum of the Available MW of each operating block of each source asset in the merit order that is not expected to be dispatched to meet the best available forecast of demand for the forecast settlement interval t.

¹ “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.

2.2 Calculation of the residual supply index

The expected residual supply index for each person i identified under section 8(1) of Section 203.5 for the forecast settlement interval t , Residual Supply Index $_{it}$, is defined as:

$$\text{Residual Supply Index}_{it} = \frac{\text{Expected Supply in Merit Order}_t - (\text{Expected Supply in Merit Order}_{it} - \text{Expected Supply Obligations}_{it})}{\text{Expected Demand met by Merit Order}_t}$$

3 Timing of Supply Cushion Publication

The AESO will begin publishing the expected supply cushion for settlement interval t 6 hours before the beginning of settlement interval t and will update this information periodically.

4 Submission of Expected Supply Obligation Data

A person must ensure that the expected supply obligation value that they submit to the ISO under section 8(2) for a settlement interval satisfies section 8(3) as of T-2.

[NTD: The AESO notes that it is currently considering moving Sections 2 and 4 to Section 203.5 of the ISO rules, *Energy Market Mitigation*.]

Revision History

Posting Date	Description of Changes
	Initial release