

Proposed Amended Section 505.2 of the ISO rules, *Performance Criteria for Refund of Generating Unit Owner's Contribution*

Date of Request for Comment:	<u>November 20, 2018</u>
Period of Comment:	<u>November 20, 2018</u> through <u>December 5, 2018</u>

Blackline of Suggested Rule Wording	Rationale	AESO Replies		
<p>Suncor Energy Inc. (“Suncor”)</p> <p>All non-administrative changes to Rule 505.2 should be rejected.</p>	<p>The AESO has not provided the issue these amendments are intended to address, the purpose for these amendments, or any data/analyses to support these amendments as required by Alberta Utilities Commission Rule 017: Procedures and Process for Development of ISO Rules and Filing of ISO Rules (“AUC Rule 017”). Accordingly, Suncor is unable to assess whether Rule 505.2 should be amended.</p> <p>Suncor opposes any change to this Rule until it can be evaluated using the information the AESO is required to provide under AUC Rule 017</p> <p>Suncor is also concerned that the proposed changes as well as some of the original language in Rule 505.2 do not support fair, efficient and openly competitive operation of the market. Suncor is interested in participating in a consultation on the appropriateness of the different performance criteria in Rule 505.2.</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. Specifically, the amendments are intended to make administrative amendments and include solar assets as identified in items (f) and (g) of the letter of notice, respectively.</p> <p>The AESO is in the process of determining whether any relevant data, analysis, or other material has been conducted or created. If it has been, the AESO will determine next steps which may include re-consulting on the proposed amendments in January and including any relevant supporting documents.</p> <p>The AESO is unclear which aspect of the fair, efficient and openly competitive operation of the market Suncor is referring to. The AESO does not agree that the proposed changes do not support a fair, efficient and openly competitive operation of the market.</p>		
<p>TransAlta Corporation (“TransAlta”)</p> <p>4(5) The ISO must calculate the availability assessment in aggregate for all solar aggregated generating facilities that are served under a single Rate STS system access service agreement, based on the average hourly availability as follows:</p> <table border="1" data-bbox="190 1382 935 1458"> <tr> <td>Average Hourly Availability</td> <td>Availability Assessment</td> </tr> </table>	Average Hourly Availability	Availability Assessment	<p>The AESO should explain why the availability assessments for solar aggregated generating facilities are less stringent than those applied to aggregated hydro and wind generating facilities.</p> <p>We are unclear why all aggregated generating facilities including solar are not assessed on the same availability standard. Our concern is that solar resources appear to be</p>	<p>The availability assessments for solar aggregated generating facilities are different than those applied to aggregated hydro and wind generating facilities because of variances in technology types.</p> <p>See the AESO’s response to Suncor above regarding whether any relevant data, analysis, or other material has been conducted or created.</p>
Average Hourly Availability	Availability Assessment			

Less than <u>0.05</u> <u>0.15</u>	0%	held to a lesser availability standard than other aggregated renewable facilities and that such treatment is arbitrary and unfair. We ask for an explanation for how the availability standard was determined for solar resources and justification for why it is a different availability assessment standard.	
<u>0.05</u> <u>0.15</u> to <u>0.10</u> <u>0.25</u>	average hourly availability– <u>0.05</u> <u>0.15</u> _____ X 100%		
	0.10		
Greater than <u>0.10</u> <u>0.25</u>	100%		

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 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> relates to the capacity market and why or why not	<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>The amendments do not directly relate to the capacity market.</p> <p>The main proposed amendments relate to the addition of availability assessments for solar generating facilities.</p>	The AESO acknowledges TransAlta’s comment.
2	if the answer to item #1 is yes, whether you agree that proposed amended Section 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> should or should not be in effect for a fixed term and why or why not	<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>Section 505.2 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 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> and whether, in your view, proposed amended Section 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> meets the objective or purpose	<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 for the purpose of the amendments to Section 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> .
		<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>We understand that the objective is to set out the mechanism for assessing performance with respect to the payment of refunds of Generating Unit Owner’s Contribution. We also agree that the performance criteria should apply to solar generating facilities; however, we are unclear why the availability assessment is different for solar generating facilities when compared to other aggregated generating facilities.</p>	See the AESO’s response to TransAlta’s comment on subsection 4(5) above.
4	how, in your view, proposed amended Section 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> affects the performance of the capacity market and the electricity market	<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>We do not expect amendments to affect the performance of the capacity market or the electricity market.</p>	The AESO acknowledges TransAlta’s comment.

Item #		Stakeholder comments	AESO Replies
5	your views on any analysis conducted or commissioned by the AESO supporting proposed amended Section 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i>	<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>We are not aware of any analysis conducted or commissioned by the AESO supporting the proposed amendments to Section 505.2</p>	See the AESO’s response to Suncor above.
6	whether you agree with proposed amended Section 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	<p><u>Suncor Energy Inc.</u></p> <p>See above. Suncor is concerned that the different performance criteria in Rule 505.2 do not support a fair, efficient and openly competitive market.</p>	See the AESO’s response to Suncor above.
		<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>Please see our response to Item #4 above.</p>	The AESO acknowledges TransAlta’s comment.
7	whether you would suggest any alternatives to proposed amended Section 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i>	<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>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 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>Please see our response to Item #4 above.</p>	The AESO acknowledges TransAlta’s comment.
9	whether you agree that proposed amended Section 505.2 of the ISO rules, <i>Performance Criteria for Refund of Generating Unit Owner's Contribution</i> supports the public interest and why or why not	<p><u>Suncor Energy Inc.</u></p> <p>See response to 6.</p>	See the AESO’s response to Suncor above.
		<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>We have not conducted any analysis at this time to assess whether the amendments support the public interest.</p>	The AESO acknowledges TransAlta’s comment.

Item #		Stakeholder comments	AESO Replies
10	whether you have any additional comments	<p><u>TransAlta Corporation (“TransAlta”)</u> No comments at this time.</p>	<p>The AESO acknowledges TransAlta’s comment.</p>