

**Proposed New ISO rule – Section 206.1 – Qualification of Capacity**

<b>Number/Period of Comment:</b>	August 13, 2018	through	August 31, 2018	<b>Contact:</b>	Colette Chekerda
<b>Comments From:</b>	Alberta Direct Connect - ADC			<b>Phone:</b>	780-920-9399
<b>Date [yyyy/mm/dd]:</b>	August 31, 2018			<b>Email:</b>	colette@carmal.ca

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.1 applies to: <ul style="list-style-type: none"> <li>(a) a <b>person</b> seeking to have the <b>ISO</b> qualify <b>new capacity</b> for the capacity market;</li> <li>(b) a <b>capacity market participant</b> seeking to have the <b>ISO</b> qualify <b>refurbished capacity</b> or <b>incremental capacity</b> for the capacity market; and</li> <li>(c) the <b>ISO</b>.</li> </ul>	
		<b>Requirements</b>	
		<b>Application for Qualification of Capacity</b>	
2	(1)	Each <b>person</b> or <b>capacity market participant</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , provide the <b>ISO</b> with a completed application including:	

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		<ul style="list-style-type: none"> <li>(a) all information or documents that the <b>ISO</b> specifies; and</li> <li>(b) any applicable application fee as set out in the <i>Schedule of ISO Fees</i>.</li> </ul>	
2	(2)	The <b>ISO</b> may request additional clarification or information regarding the application or supporting documents from each <b>person</b> or <b>capacity market participant</b> .	
		<b>Declarations for Incremental Capacity and Refurbished Capacity</b>	
3	(1)	<p>A <b>capacity market participant</b> must, if it has applied to provide proposed <b>incremental capacity</b> within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i>, submit to the <b>ISO</b> a declaration, in the manner specified by the <b>ISO</b>, as to whether the anticipated <b>maximum capability</b> of the asset with proposed <b>incremental capacity</b> will be either:</p> <ul style="list-style-type: none"> <li>(a) the <b>maximum capability</b> of the asset had the <b>capacity market participant</b> not applied for proposed <b>incremental capacity</b>; or</li> <li>(b) remain as the anticipated <b>maximum capability</b> accounting for the proposed <b>incremental capacity</b>,</li> </ul> <p>in the event that a <b>capacity market participant</b> fails to receive a <b>capacity commitment</b> for such asset in the <b>base auction</b> or <b>rebalancing auction</b> for some or all of the proposed <b>incremental capacity</b>.</p>	
3	(2)	<p>A <b>capacity market participant</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> and in the manner specified by the <b>ISO</b>, submit to the <b>ISO</b> a declaration, as to whether an asset with <b>refurbished capacity</b> will:</p> <ul style="list-style-type: none"> <li>(a) permanently delist in accordance with Section 206.X of the <b>ISO rules</b>,</li> </ul>	

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		<p><i>Delisting</i>; or</p> <p>(b) continue to participate in the energy market and capacity market, in the event that a <b>capacity market participant</b> fails to receive a <b>capacity commitment</b> for such asset in the <b>base auction</b> or <b>rebalancing auction</b>.</p>	
		<p><b>Qualification of New Capacity, Incremental Capacity and Refurbished Capacity</b></p>	
4	(1)	<p>The <b>ISO</b> must, based on the information in the application and any supporting documents provided pursuant to subsection 2, be satisfied that the asset:</p> <ul style="list-style-type: none"> <li>(a) will be capable of providing energy to or reducing consumption from the <b>interconnected electric system</b>;</li> <li>(b) has a <b>uniform capacity value</b> greater than or equal to 1 MW;</li> <li>(c) will be developed, energized and commissioned in accordance with a project plan and timeline that aligns with the project milestones established by the <b>ISO</b>;</li> <li>(d) is not a <b>source asset</b> that is the subject of a renewable electricity support agreement in connection with rounds 1, 2 or 3 of the Renewable Electricity Program;</li> <li>(e) is not energy efficiency;</li> <li>(f) in the case of a load asset: <ul style="list-style-type: none"> <li>(i) can or will be able to reduce demand during the <b>obligation period</b> in a way that is measurable by the <b>ISO</b>;</li> <li>(ii) is or will be a retail or self-retail asset; and</li> <li>(iii) is not located on a site with an onsite <b>generating unit</b> or <b>aggregated generating facility</b> that is participating in the capacity market.</li> </ul> </li> <li>(g) in the case of an <b>energy storage facility</b>, is or will be capable of maintaining energy production at it <b>uniform capacity value</b> for a minimum of 4 hours;</li> <li>(h) in the case of an import asset:</li> </ul>	<p>Can the AESO provide clarity on the reasons for point f-iii:</p> <ul style="list-style-type: none"> <li>(f) in the case of a load asset: <ul style="list-style-type: none"> <li>(iii) is not located on a site with an onsite <b>generating unit</b> or <b>aggregated generating facility</b> that is participating in the capacity market.</li> </ul> </li> </ul> <p>Many of the price responsive loads also have generation assets on their site (or may have generation assets on their site in the future) and have both demand response capacity from price responsive load and generation capacity that can be exported to the AIES. As worded, this rule would exclude the largest price responsive loads from participating in the capacity market.</p>

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		<ul style="list-style-type: none"> <li>(i) has firm transmission from the import asset to the Alberta border for the duration of the <b>obligation period</b>;</li> <li>(ii) is not participating as non-recallable capacity in a resource adequacy program of another jurisdiction; and</li> <li>(iii) will be curtailed on a pro-rata basis by the <b>balancing authority</b> of the jurisdiction in which the import asset is located in when load, which is firm, is curtailed.</li> </ul> <p>(i) in the case of an aggregation of assets:</p> <ul style="list-style-type: none"> <li>(i) has a <b>uniform capacity value</b> less than or equal to the <b>uniform capacity value</b> of the largest generating unit in Alberta;</li> <li>(ii) has or will have the appropriate metering the <b>ISO</b> specifies for each asset in the aggregation;</li> <li>(iii) is comprised of assets that are either exclusively load assets or exclusively <b>generating units</b> or <b>aggregated generating facilities</b>; and</li> <li>(iv) is not comprised of any asset that will contribute capacity individually, or as part of another aggregation, to the capacity market;</li> </ul> <p>(j) in the case of <b>incremental capacity</b>, will be retrofitted in a manner that will, in the opinion of the <b>ISO</b>, increase the <b>maximum capability</b> of the asset by an amount in MW that is:</p> <ul style="list-style-type: none"> <li>(i) greater than or equal to 1 MW; and</li> <li>(ii) less than or equal to the greater of: <ul style="list-style-type: none"> <li>(A) 15% of the asset's <b>maximum capability</b>; or</li> <li>(B) 40 MW above the asset's <b>maximum capability</b>.</li> </ul> </li> </ul> <p>(k) in the case of <b>refurbished capacity</b>, will be retrofitted in a manner that will, in the opinion of the <b>ISO</b>, result in either:</p> <ul style="list-style-type: none"> <li>(i) an increase in the asset's <b>maximum capability</b> by an amount exceeding the greater of: <ul style="list-style-type: none"> <li>(A) 15% of the asset's <b>maximum capability</b>; or</li> </ul> </li> </ul>	

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		<p>(B) 40 MW above the asset's <b>maximum capability</b>; or</p> <p>(ii) a capital investment of greater than or equal to \$200 per kW of the asset's <b>maximum capability</b> multiplied by a capital cost escalation rate that is specified by the <b>ISO</b>.</p>	
4	(2)	<p>The <b>ISO</b> may, in a determination made pursuant to subsection 4(1)(k)(ii), reject any cost information submitted by the <b>capacity market participant</b> if the <b>ISO</b> determines that such costs are unreasonable.</p>	
4	(3)	<p>The <b>ISO</b> must qualify an asset with <b>new capacity, refurbished capacity</b> or <b>incremental capacity</b> for the capacity market if:</p> <p>(a) the application provided pursuant to subsection 2 is complete; and</p> <p>(b) the <b>ISO</b> is satisfied pursuant to subsection 4(1), as applicable.</p>	
4	(4)	<p>The <b>ISO</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i>, notify each <b>person</b> or <b>capacity market participant</b> as to whether the <b>new capacity, refurbished capacity</b> or <b>incremental capacity</b> is qualified for the capacity market.</p>	

**Please provide your comments on the following (as set out in AUC Rule 017 s. 13(b-j)):**

Item #		Stakeholder comments
1	whether you agree that the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> and whether, in your view, the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> meets the objective or purpose	
4	how, in your view, the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i>	
6	whether you agree with the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO rule – Section 206.1 – <i>Qualification of Capacity</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	As written, the AESO could potentially exclude a significant amount of demand response from the capacity market. We are not clear as to the reasoning the AESO would exclude load participation from sites that also have generation.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO rule – Section 206.1– Qualification of Capacity***



**Proposed New ISO rule – Section 206.2 – Self Supply Configurations**

<b>Period of Comment:</b>	August 13, 2018	through	August 31, 2018	<b>Contact:</b>	Colette Chekerda
<b>Comments From:</b>	Alberta Direct Connect - ADC			<b>Phone:</b>	780-920-9399
<b>Date [yyyy/mm/dd]:</b>	2018-08-31			<b>Email:</b>	colette@carmal.ca

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.2 applies to: <ul style="list-style-type: none"> <li>(a) the <b>legal owner</b> of a load asset that is served by one or more onsite <b>generating units</b> or <b>aggregated generating facilities</b>;</li> <li>(b) the City of Medicine Hat; and</li> <li>(c) the <b>ISO</b>.</li> </ul>	
		<b>Requirements</b>	
		<b>Mandatory Requirements to Self-supply Capacity</b>	
2	(1)	The <b>legal owner</b> of a load asset that is served by one or more onsite <b>generating units</b> or <b>aggregated generating facilities</b> must self-supply <b>capacity</b> if such site is: <ul style="list-style-type: none"> <li>(a) metered on a net basis; or</li> <li>(b) is not capable of flowing energy on to the <b>interconnected electric system</b>.</li> </ul>	

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2	(2)	The City of Medicine Hat must self-supply <b>capacity</b> .	
		<b>Option to Self-supply Capacity</b>	
3		<p>The <b>legal owner</b> of a load asset that is served by one or more onsite <b>generating units</b> or <b>aggregated generating facilities</b> may choose to self-supply <b>capacity</b> if:</p> <ul style="list-style-type: none"> <li>(a) such site has a bi-directional net-interval meter;</li> <li>(b) the <b>generating units</b> or <b>aggregated generating facilities</b> are metered on a gross basis; and</li> <li>(c) the <b>generating units</b> or <b>aggregated generating facilities</b> are capable of flowing energy on to the <b>interconnected electric system</b>.</li> </ul>	Is the AESO intending that all 3 be applicable to self supply?
		<b>Application to Self-supply Capacity</b>	
4		The <b>legal owner</b> of a load asset that is served by one or more onsite <b>generating units</b> or <b>aggregated generating facilities</b> and the City of Medicine Hat must provide the <b>ISO</b> , within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , a completed application to self-supply <b>capacity</b> including all information or documents that the <b>ISO</b> specifies.	
		<b>Approval to Self-supply Capacity</b>	
5		The <b>ISO</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , approve an application to self-supply <b>capacity</b> if the site meets the criteria set out in subsections 2 or 3, as applicable.	
		<b>Capacity from a Self-supply Configuration</b>	
6	(1)	The <b>legal owner</b> of a <b>generating unit</b> or an <b>aggregated generating facility</b> in a self-	ADC is concerned that there may be unintended consequences in the case of ISD's.

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		<p>supply configuration must, in the event that:</p> <ul style="list-style-type: none"> <li>(a) the <b>generating unit</b> or <b>aggregated generating facility</b> has excess <b>capacity</b> that is not serving the on-site load; and</li> <li>(b) the excess <b>capacity</b> that is not serving the on-site load has a <b>uniform capacity value</b> greater than or equal to 1 MW,</li> </ul> <p>participate in the capacity market with the excess <b>capacity</b> that is not serving the on-site load.</p>	<p>There exists configurations where one business owner has a capacity committed load asset and a different business entity has a generation asset. These POD's have been aggregated for the purpose of transmission billing, how does this impact these individual businesses ability to participate as separate entities?</p>
6	(2)	<p>The <b>legal owner</b> of a load asset in a self-supply configuration may provide <b>capacity</b> in the capacity market with the portion of the load that is not supplied by onsite generation if the <b>capacity</b> has a <b>uniform capacity value</b> greater than or equal to 1 MW.</p>	<p>There is a self-supply configuration where the on-site generation is a dispatchable peaking facility and load can be a dispatchable capacity resource. The rule language does not seem to accommodate the configuration where the self supply resource is only self supplying when the generator is dispatched, not all hours like a cogen facility. ADC/Insitu Power would like to sit down with the AESO to discuss this circumstance and appropriate rules to allow this resource to fully participate.</p>
		<p><b>Changes in Self-supply Status</b></p>	
7	(1)	<p>The <b>legal owner</b> of a load asset that is served by one or more onsite <b>generating units</b> or <b>aggregated generating facilities</b> that is required to self-supply <b>capacity</b> pursuant to subsection 2(1) may apply to the <b>ISO</b> to change its self-supply status if:</p> <ul style="list-style-type: none"> <li>(a) the <b>legal owner</b> installs a bi-directional net-interval meter at such site;</li> <li>(b) the <b>legal owner</b> changes <b>generating units</b> or <b>aggregated generating facilities</b> to be metered on a gross basis; and</li> <li>(c) the <b>generating units</b> or <b>aggregated generating facilities</b> are capable of flowing energy on to the <b>interconnected electric system</b>.</li> </ul>	

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7	(2)	<p>The <b>legal owner</b> of a load asset that is served by one or more onsite <b>generating units</b> or <b>aggregated generating facilities</b> that elects to self-supply <b>capacity</b> pursuant to subsection 3 must self-supply <b>capacity</b> for a minimum of 4 <b>obligation periods</b> unless it can demonstrate to the <b>ISO's</b> satisfaction that physical changes to the site warrant a change in self-supply status.</p>	

**Please provide your comments on the following (as set out in AUC Rule 017 s. 13(b-j)):**

Item #		Stakeholder comments
1	whether you agree that the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> and whether, in your view, the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> meets the objective or purpose	
4	how, in your view, the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i>	In our view the AESO has missed a possible configuration where a load is partially self-supplied with a dispatchable generation asset and may have both load response capacity and generation capacity available on the same site to participate in the market.
6	whether you agree with the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	In our view the AESO is excluding eligible assets with the current rule language.
7	whether you would suggest any alternatives to the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i>	Yes, the AESO needs to consider the circumstance where both capacity committed load and generation exist at the same location. This is a unique circumstance in Alberta, however the language still needs to be inclusive for the fair treatment of this type of resource.

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO rule – Section 206.2 – Self Supply Configurations***