AESO Recommended Treatment of Proposed Additions to Sub-Questions

Proposed Additions to the KDEs, Questions, and Sub-Questions Identified in Eligibility Work-group Session #1

- Capacity Resource Eligibility
    - Implications of coal to gas conversions should be understood
        - AESO recommendation: Will be covered by questions: If UCAP, How do we estimate the initial "unforced" capacity values for new generating resources? Based on NERC class average values or AESO's estimate of class averages, using capacity values for resources of the same type currently providing capacity in the market? And what is the UCAP volume calculation methodology for non-variable resources?
    - COGEN was noted as having multiple issues to explore
        - AESO recommendation: Cogen related issues are primarily covered in P & H stream
    - If eligibility is set at 'must offer', how does the risk profile of the uncertainty of your load profile impact your eligibility?
        - AESO recommendation: Covered under P & H stream - How and when are self-supply arrangements registered and evaluated?
    - Who gets to determine UCAP and how is it determined?
        - AESO recommendation: Add question in Eligibility stream but shorten to: Who calculates UCAP and source of data?
    - What is the impact of the connection process and / or forecasted transmission constraints on eligibility and performance assessment? Who takes on the risk? AESO or developer?
        - AESO recommendation: Covered by existing question in Eligibility: Is non-performance due to transmission congestion outage or derate an acceptable excuse to avoid penalties?
    - Can you aggregate variable resources and under what conditions (e.g. seasonality)?
        - AESO recommendation: Covered by existing question in Eligibility: Can you aggregate different technologies?
    - What is the term the resource must offer?
        - AESO recommendation: Existing question in eligibility: How many years must energy efficiency savings bid into the Capacity Market? What is the lifespan of an energy efficiency resource? Propose adding an additional question for interties only: Should eligible intertie capacity volume be determined for a minimum or maximum length of time and if so what is the time period? No other questions required. Interdependency identified with market mechanics as minimum or maximum must offer time periods are also a potential consideration for market power mitigation.
- Eligibility (Non-Variable / Variable):

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- What is the definition of a non-variable resource?
    - AESO recommendation: Not a stand-alone question. Describe what it means as part of answering question: What is the UCAP volume calculation methodology for non-variable resources?
- What is the definition of a variable resource?
    - AESO recommendation: Not a stand-alone question. Describe what it means as part of answering question: How do we calculate UCAP for variable resources?
- Is accounting for REP procured renewables covered by out of market question in Capacity Resource Eligibility?
    - AESO recommendation: Propose to move general question of out of market treatment to market mechanics. Assuming renewables are in the market, are REP procured renewable capacity values calculated differently from non-REP renewables? Move pricing to market mechanics section. In general, physical calculation of capacity value is expected to be the same for REP vs. non-REP renewables but subject to consideration of payment mechanism.

- Eligibility (Import / Export):
    - Reliability products as part of interties? How do ancillary services like LSSi or operating reserve availabilities impact volume or performance penalties for interties?
        - AESO recommendation: Don't add question, covered under deliverability question, BC/MT limit treatment and performance assessments.
    - Do you need to own / control the generation asset in an external jurisdiction?
        - AESO recommendation: Add question in eligibility stream: For imports, must capacity be provided by a specific generation asset?
    - Does an external participant have the option to offer to participate in the capacity market in 1 year, and not in subsequent years (i.e. how many years must an applicant bid in?)?
        - AESO recommendation: Covered as per above: Propose adding an additional question for interties only: Should eligible intertie capacity volume be determined for a minimum or maximum length of time and if so what is the time period? Interdependency identified with market mechanics as minimum or maximum must offer time periods are also a potential consideration for market power mitigation.
    - Should the question regarding the impact of schedule cuts on delivery obligation be moved to Performance Assessment KDE?
        - AESO recommendation: Yes, move.
    - BC/MATL "codependency" wording to be revised.
        - AESO recommendation: Propose to change wording of associated question to: How do we deal with the joint scheduling limit between the BC and MT interties? Interdependency with deliverability question and market mechanics.

- Energy Efficiency Resources Eligibility:
    - What is the definition of an energy efficiencies resource?

        - AESO recommendation: Don't need a separate question. Define in general participation DAS question: Should Energy Efficiency participate on the supply side of the Alberta Capacity Market?

- Resource Aggregation Storage:
    - Impact of Joint-Ventures?
        - Is this part of market mechanics WG?
            - AESO recommendation: Recommend not adding question at this point and consider out of scope for capacity market development. Need to have a consistent approach across markets (energy and capacity) but can be dealt with through private participant arrangements for time-being.
        - How is the eligibility volume calculation determined?
            - AESO recommendation: Don't add question – volume determination is at resource level for any particular resource type.
- Locational Signals:
    - Who will do the identification of constrained zone?
        - How will identification work?
        - AESO recommendation: Don't add question – AESO is only entity who has ability and mandate to do this.
- Capacity Cost Allocation
    - Reword question regarding resources providing support and consumers using energy to clarify meaning of question to be related to issues related to self-supply
        - AESO recommendation: Question should be "How are capacity costs allocated to the load portion of a self-supply asset (whether the generation portion is producing or not)?" – put into P&H stream, recognizing interdependency.