

## Proposed Amended ISO rule – Section 203.4, *Delivery Requirements for Energy*

|                           |                                 |         |                    |                 |                                |
|---------------------------|---------------------------------|---------|--------------------|-----------------|--------------------------------|
| <b>Period of Comment:</b> | September 7, 2018               | through | September 28, 2018 | <b>Contact:</b> | Surendra Singh                 |
| <b>Comments From:</b>     | Alberta Newsprint Company (ANC) |         |                    | <b>Phone:</b>   | 780 778 1537                   |
| <b>Date [yyyy/mm/dd]:</b> | 2018/09/28                      |         |                    | <b>Email:</b>   | surendras@albertanewsprint.com |

***Please provide comments relating to the subsection of the proposed amendments to the 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 203.4 applies to: <ul style="list-style-type: none"> <li>(a) a <b>pool participant</b> with a generating <b>source asset</b> that has an associated current <b>offer</b> when participating in the energy market; and</li> <li>(b) a <b>pool participant</b> with a load <b>sink asset</b> that has an associated current <b>offer</b> when participating in the energy market; and</li> <li>(c) <b>the ISO</b>.</li> </ul> |                      |
|         |            | <b>Requirements</b><br><b>Compliance Responsibilities</b>   |                      |
| 2       | (1)        | A <b>pool participant</b> may only deliver energy to the <b>interconnected electric system</b> from a generating <b>source asset</b> pursuant to a <b>dispatch</b> or a <b>directive</b> the <b>ISO</b> issues.   |                      |
| 2       | (2)        | A <b>pool participant</b> must: <ul style="list-style-type: none"> <li>(a) operate its generating <b>source assets</b> or load <b>sink assets</b>, or cause them to be operated; and</li> <li>(b) respond to <b>dispatches</b> from the <b>ISO</b>,</li> </ul>  |                      |

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|---------|------------|--|--|
|         |            | using <b>good electric industry practice</b> , including the design, implementation and use of reasonable <b>dispatch</b> protocols, together with personnel and software systems designed to detect and address errors or omissions in a timely fashion.  |  |
|         |            | <b>Steady State Compliance</b>   |  |
| 3       | (1)        | Subject to subsection 3(3), a <b>pool participant</b> must not, during <b>steady state</b> , vary the average MW it delivers from a generating <b>source asset</b> or consumes from a load <b>sink asset</b> , in any <b>10 minute clock period</b> from the <b>dispatch</b> MW by more than the <b>allowable dispatch variance</b> .  | <p>While this language is acceptable for a generator, it needs to be amended slightly for load assets. Load should be able to reduce its consumption without being dispatched by the AESO, but load should not be able to increase its consumption until it is released from the dispatch. Unlike a generator, the obligation should only be one directional. ANC suggests the following language:</p> <p style="padding-left: 40px;">Subject to subsection 3(3), a <b>pool participant</b> must not, during <b>steady state</b>:</p> <p style="padding-left: 80px;">(a) vary the average MW it delivers from a generating <b>source asset</b> or</p> <p style="padding-left: 80px;">(b) <u>increase the MW</u> it consumes from a load <b>sink asset</b></p> <p style="padding-left: 40px;">in any <b>10 minute clock period</b> from the <b>dispatch</b> MW by more than the <b>allowable dispatch variance</b>.</p> |
| 3       | (2)        | Subject to subsection 3(3), a <b>pool participant</b> that is supplying <b>regulating reserve</b> from a generating <b>source asset</b> or a load <b>sink asset</b> must ensure that the MW delivered in any <b>10 minute clock period</b> is: <ul style="list-style-type: none"> <li>(a) not less than the <b>dispatch</b> MW minus the <b>allowable dispatch variance</b>; and</li> <li>(b) not greater than the <b>dispatch</b> MW plus the <b>regulating reserve</b> plus the <b>allowable dispatch variance</b>.</li> </ul> |  |
| 3       | (3)        | A <b>pool participant</b> , after a load <b>sink asset</b> that is subject to a <b>dispatch</b> for 0 MW has met the requirements for the first <b>10 minute clock period</b> as described in subsections 3(1) and 3(2), is no longer subject to the requirements of subsections 3(1) and 3(2).  | Is the correct interpretation of this requirement that when a sink asset is no longer dispatched down, it must maintain consumption within dispatch tolerance for 10 minutes?  |
|         |            | <b>Ramping Compliance</b>  |  |

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| 4       | (1)        | <p>A <b>pool participant</b> must move the output of a generating <b>source asset</b> or the consumption of a load <b>sink asset</b> which is:</p> <ul style="list-style-type: none"> <li>(a) the subject of a <b>dispatch</b>; and</li> <li>(b) <b>ramping</b></li> </ul> <p>towards the MW level indicated in that <b>dispatch</b> within 10 minutes of the time specified in the <b>dispatch</b> but not prior to the time specified in the <b>dispatch</b>.</p>  | <p>ANC agrees with this as long as dispatches of load assets are only allowed to be dispatched downwards. The AESO should not be able to dispatch load to consume. For clarity, ANC suggests the addition of the following sub-section:</p> <p style="padding-left: 40px;">The AESO may dispatch pool participants in accordance with the following:</p> <ul style="list-style-type: none"> <li>(a) A generating <b>source asset</b> may be dispatched to increase or decrease production</li> <li>(b) A load <b>sink asset</b> may be dispatched to decrease consumption</li> <li>(c) A load <b>sink asset</b> may not be dispatched to increase consumption</li> </ul> |
| 4       | (2)        | <p>A <b>pool participant</b> must ensure that each generating <b>source asset</b> or load <b>sink asset</b> reaches the MW specified in an energy market <b>dispatch</b>, plus or minus the <b>allowable dispatch variance</b> for that generating <b>source asset</b> or load <b>sink asset</b> in:</p> <ul style="list-style-type: none"> <li>(a) no longer than the period of time calculated as follows: <ul style="list-style-type: none"> <li>(i) divide the change in <b>dispatch</b> MW by the <b>ramp rate</b> the <b>pool participant</b> submits;</li> <li>(ii) add 40% of the time calculated in subsection 4(2)(a)(i) or 5 minutes, whichever is greater; and</li> <li>(iii) add the 10 minutes referred to in subsection 4(1); and</li> </ul> </li> <li>(b) no sooner than the period of time calculated as follows: <ul style="list-style-type: none"> <li>(i) divide the change in <b>dispatch</b> MW by the <b>ramp rate</b> the <b>pool participant</b> submits; and</li> <li>(ii) subtract 40% of the time calculated in subsection 4(2)(b)(i) or 5 minutes, whichever is greater.</li> </ul> </li> </ul> | <p>ANC is comfortable with the concept of a ramping table that can be updated based on operating conditions.</p>   |

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|         |            | <b>Operational Deviation</b>  |                      |
| 5       | (1)        | A <b>pool participant</b> must, if a generating <b>source asset</b> or load <b>sink asset</b> experiences an <b>operational deviation</b> in excess of 50 MW, verbally inform the <b>ISO</b> as soon as practical of the occurrence of the <b>operational deviation</b> and provide a description of the cause if known.  |                      |
| 5       | (2)        | A <b>pool participant</b> must inform the <b>ISO</b> of the information required under subsection 5(1) on a telephone line the <b>ISO</b> designates, which must contain a voice recording system.  |                      |
| 5       | (3)        | A <b>pool participant</b> must, if an <b>operational deviation</b> extends for 20 minutes or longer, submit an <b>available capability</b> restatement or MW restatement for the generating <b>source asset</b> or load <b>sink asset</b> that represents the operational capability of the generating <b>source asset</b> or load <b>sink asset</b> , and must do so no later than 20 minutes after the commencement of the <b>operational deviation</b> .   |                      |
|         |            | <b>Exceptions to Non-Compliance</b>   |                      |
| 6       |            | <p>Notwithstanding the provisions set out in subsections 3, 4 and 5, the <b>ISO</b> must not determine that a <b>pool participant</b> is non-compliant with a <b>dispatch</b> for a generating <b>source asset</b> or load <b>sink asset</b> if the <b>pool participant</b> has met its responsibilities as set out in subsection 2 and 1 or more of the following circumstances occur:</p> <ul style="list-style-type: none"> <li>(a) the generating <b>source asset</b> or load <b>sink asset</b> is <b>ramping</b> into position to provide <b>operating reserve</b> in response to a <b>dispatch</b> in the 15 minutes before the time indicated in that <b>dispatch</b>;</li> <li>(b) the generating <b>source asset</b> is operating below the <b>minimum stable generation</b> level indicated in the Energy Trading System, but only if that generating <b>source asset</b> is: <ul style="list-style-type: none"> <li>(i) synchronizing and its <b>available capability</b> the <b>pool participant</b> submitted is equal to its <b>minimum stable generation</b> and it has received a <b>dispatch</b> for that quantity, in MW;</li> <li>(ii) going off line and its <b>available capability</b> the <b>pool participant</b> submitted is equal to 0 and it has received a <b>dispatch</b> for that quantity, in MW;</li> </ul> </li> </ul> |                      |

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|         |            | <ul style="list-style-type: none"> <li>(iii) unable to follow the <b>ramp rate</b> the <b>pool participant</b> submitted when its output is being increased to its <b>minimum stable generation</b> and the <b>pool participant</b> has submitted a verbal plan to the <b>ISO</b> indicating a proposal for <b>ramping to minimum stable generation</b>, which verbal plan must provide an estimate of the time required to achieve the <b>ramp rate</b> and be updated for deviations of greater than 30 minutes or 50 MW; or</li> <li>(iv) stopped at an output level not identified in the verbal plan referenced in subsection 6(1)(b)(iii) above, but which is below <b>minimum stable generation</b> for more than 30 minutes for an operational reason and the <b>pool participant</b> has submitted a restatement of the <b>available capability</b> accordingly;</li> <li>(c) the generating <b>source asset</b> is responding to abnormal frequency through automatic <b>governor</b> or <b>governor system</b> action;</li> <li>(d) the load <b>sink asset</b> is responding to abnormal frequency;</li> <li>(e) an <b>operational deviation</b> has occurred and the <b>pool participant</b> has complied with subsection 5; and</li> <li>(f) energy is being delivered to the <b>interconnected electric system</b> from a generating <b>source asset</b> or load <b>sink asset</b> while it is being tested or commissioned or both, in accordance with applicable provisions of the <b>ISO rules</b>.</li> </ul> |                      |
|         |            | <p><b>Concurrent Energy and Operating Reserve Requirements</b></p>  |                      |
| 7       | (1)        | <p>The <b>ISO</b> must, when assessing a <b>pool participant</b>'s compliance with section 205.2 of the <b>ISO rules</b>, <i>Issuing Dispatches and Directives for Operating Reserve</i> in a situation where there are concurrent energy and <b>spinning reserve</b> requirements or energy and <b>supplemental reserve</b> requirements, consider the time of the energy <b>dispatch</b> to be:</p> <ul style="list-style-type: none"> <li>(a) 15 minutes after the <b>directive</b> for <b>spinning reserve</b> or <b>supplemental reserve</b> in the case of subsection 4(3); and</li> <li>(b) the time the <b>pool asset</b> is providing the amount of <b>real power</b> described in of section 205.5 of the <b>ISO rules</b>, <i>Spinning Reserve Technical Requirements</i></li> </ul>   |                      |

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|         |            | <p><i>and Performance Standards, or section 205.6 of the ISO rules, Supplemental Reserve Technical Requirements and Performance Standards, in the case of subsection 4(4);</i></p> <p>(c) the later of 15 minutes after the <b>directive</b> for <b>spinning reserve</b> or <b>supplemental reserve</b> or the time of the <b>dispatch</b> in the case of subsection 4(5); and</p> <p>(d) the time the <b>pool asset</b> is providing the amount of <b>real power</b> described in of section 205.5 of the <b>ISO rules, Spinning Reserve Technical Requirements and Performance Standards, or section 205.6 of the ISO rules, Supplemental Reserve Technical Requirements and Performance Standards, in the case of subsection 4(6).</b></p> |                      |
| 7       | (2)        | <p>The <b>ISO</b> must, when assessing a <b>pool participant's</b> compliance with section 205.2 of the <b>ISO rules, Issuing Dispatches and Directives for Operating Reserve</b> in a situation where there are concurrent energy and <b>spinning reserve</b> requirements or energy and <b>supplemental reserve</b> requirements, consider the MW quantity to be the energy <b>dispatch</b> quantity plus the <b>spinning reserve</b> or <b>supplemental reserve</b> quantity while the <b>directive</b> remains in effect.</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 amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i> relates to the capacity market and why or why not   |                      |
| 2      | whether you agree that amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</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 amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i> and whether, in your view, Section 203.4, <i>Delivery Requirements for Energy</i> meets the objective or purpose |                      |
| 4      | how, in your view, amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</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 amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i>  |                      |
| 6      | whether you agree with amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</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 amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</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 |                      |
| 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 amended ISO rule – Section 203.4, Delivery Requirements for Energy.***

Empty response box for stakeholder comments.

## Proposed Amended ISO rule – Section 206.2, Self-Supply

|                           |                                  |         |                    |                 |                                |
|---------------------------|----------------------------------|---------|--------------------|-----------------|--------------------------------|
| <b>Period of Comment:</b> | September 7, 2018                | through | September 28, 2018 | <b>Contact:</b> | Surendra Singh                 |
| <b>Comments From:</b>     | Alberta News Print Company (ANC) |         |                    | <b>Phone:</b>   | 780 778 1537                   |
| <b>Date [yyyy/mm/dd]:</b> | 2018/09/28                       |         |                    | <b>Email:</b>   | surendras@albertanewsprint.com |

***Please provide comments relating to the subsection of the proposed amendments to the 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>, excluding sites where the load is exclusively station service for the <b>generating unit</b> or <b>aggregated generating facility</b>;</li> <li>(b) the <b>legal owner</b> of a <b>generating unit</b> or an <b>aggregated generating facility</b> that self-supplies capacity for one or more onsite load assets;</li> <li>(c) the City of Medicine Hat; and</li> <li>(d) the <b>ISO</b>.</li> </ul> |   |
|         |            | <b>Requirements</b><br><b>Requirements to Self-supply Capacity</b>   |   |
| 2       | (1)        | The <b>legal owner</b> of a load asset must self-supply <b>capacity</b> if such site is: <ul style="list-style-type: none"> <li>(a) metered in a manner that the metering measures both onsite generation and load as a single value for each metering interval; or</li> </ul>   | ANC requests clarity that an entity with appropriate metering and transmission capacity would be able to select either self-supply or gross supply.<br><br>ANC expects it will want to participant in the capacity market on a gross basis, rather than self-supply. ANC would like to work with the AESO to determine how this can be done |

| Section | Subsection | Proposed language  | Stakeholder comments   |
|---------|------------|--|--|
|         |            | (b) is not capable of flowing all energy produced on the site on to the <b>interconnected electric system</b> .  | without the additional cost burden of adding additional metering infrastructure. The cost of metering infrastructure is significant to ANC.  |
| 2       | (2)        | The City of Medicine Hat must self-supply <b>capacity</b> .  |  |
|         |            | <b>Application to Self-supply Capacity</b>   |  |
| 3       |            | The <b>legal owner</b> of a load asset 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>  |  |
| 4       |            | 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 subsection 2.  |  |
|         |            | <b>Changes in Self-supply Configuration</b>  |  |
| 5       |            | The <b>legal owner</b> of a load asset that is self-supplying <b>capacity</b> pursuant to subsection 2(1) must self-supply <b>capacity</b> for a minimum of 4 <b>obligation periods</b> unless it can demonstrate to the <b>ISO</b> 's satisfaction that physical changes to the site warrant a change in self-supply configuration. | ANC does not agree that self-suppliers should be limited to self-supplying capacity for a minimum of four obligation periods. Self-suppliers must maintain the flexibility to switch if needed in response to a change in their business or AESO market rules. The AESO should not further implement restrictions to self-suppliers that add minimal, if any, benefits while removing necessary flexibility of Alberta business. |

**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 amended ISO rule – <i>Section 206.2, Self-Supply</i> relates to the capacity market and why or why not  |                      |
| 2      | whether you agree that amended ISO rule – <i>Section 206.2, Self-Supply</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 amended ISO rule – <i>Section 206.2, Self-Supply</i> and whether, in your view, <i>Section 206.2, Self-Supply</i> meets the objective or purpose |                      |
| 4      | how, in your view, amended ISO rule – <i>Section 206.2, Self-Supply</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 amended ISO rule – <i>Section 206.2, Self-Supply</i>   |                      |
| 6      | whether you agree with amended ISO rule – <i>Section 206.2, Self-Supply</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 amended ISO rule – <i>Section 206.2, Self-Supply</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 |                      |
| 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 amended ISO rule – Section 206.2, Self-Supply.*

Empty response box for stakeholder comments.

Proposed New ISO rule – Section 206.3, *Uniform Capacity Value Determination*

|                           |                                 |         |                    |                 |                                |
|---------------------------|---------------------------------|---------|--------------------|-----------------|--------------------------------|
| <b>Period of Comment:</b> | September 7, 2018               | through | September 28, 2018 | <b>Contact:</b> | Surendra Singh                 |
| <b>Comments From:</b>     | Alberta Newsprint Company (ANC) |         |                    | <b>Phone:</b>   | 780 778 1537                   |
| <b>Date [yyyy/mm/dd]:</b> | 2018/09/28                      |         |                    | <b>Email:</b>   | surendras@albertanewsprint.com |

***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 206.3 applies to:<br>(a) a <b>capacity market participant</b> ; and<br>(b) the <b>ISO</b> .   |   |
|         |            | <b>Requirements</b><br><b>1250 Tightest Supply Cushion Hours</b>  |   |
| 2       |            | The <b>ISO</b> must select 250 hours from each 12 <b>month</b> consecutive period in the historical 60 <b>month</b> evaluation period as follows:<br>(a) calculate the supply cushion for every hour;<br>(b) rank all hours based on supply cushion in ascending order;<br>(c) within the order referred to in subsection 2(b), rank hours with equivalent supply cushion in ascending order from the most recent to the most distant of time; and<br>(d) select the first 250 hours after ranking in accordance with subsection 2(b) and 2(c). | “12 month consecutive period” is unclear as it could be a rolling period. The AESO should clearly state “12 month period from November to October.” |

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|---------|------------|--|----------------------|
|         |            | <p><b>Asset Specific Hours for Uniform Capacity Value Calculation</b></p>  |                      |
| 3       | (1)        | <p>The <b>ISO</b> must remove the following hours from the 1250 hours identified in subsection 2 on an asset-specific basis, in order to create an historical data set for each asset listed for a <b>capacity market participant</b> on the list:</p> <ul style="list-style-type: none"> <li>(a) hours in which there was a state of markets suspension;</li> <li>(b) hours that the <b>ISO</b> determines that the asset was affected by: <ul style="list-style-type: none"> <li>(i) an event of limited markets operations, war, invasion, armed conflict, blockade, act of public enemy, riot, revolution, insurrection, act of terrorism, sabotage, act of vandalism, fire that does not originate at the asset, lightning, explosion, earthquake or flooding; and</li> <li>(ii) a <b>mothball outage</b> or temporary economic <b>delist outage</b>;</li> </ul> </li> <li>(c) hours in which the asset had no production or consumption history;</li> <li>(d) hours in which the asset was <b>commissioning</b>; and</li> <li>(e) in the case of an import asset, hours in which the relevant transfer path was unavailable as a result of an issue on the Alberta transmission system.</li> </ul> |                      |
| 3       | (2)        | <p>The <b>ISO</b> may, in the case of a <b>long lead time asset</b> that was synchronized but had varying start-up times for distinct portions of its MW and which required more than 1 hour to deliver such additional portions of its MW, remove the hours where the <b>ISO</b> determines that:</p> <ul style="list-style-type: none"> <li>(a) the <b>pool participant</b> reason in the Energy Trading System indicates that the asset was offline for a long lead time configuration; or</li> <li>(b) the cost assessment for the asset exceeds the <b>pool price</b>;</li> </ul> <p>in order to create an historical data set for each <b>long lead time asset</b> listed for a <b>capacity market participant</b> on the list.</p>  |                      |
| 3       | (3)        | <p>The <b>ISO</b> must, if it determines that the asset was impacted by a <b>transmission market constraint</b> during an hour in the asset’s historical data set, add the volume that was</p>   |                      |



| Section | Subsection | Proposed language   | Stakeholder comments   |
|---------|------------|---|--|
|         |            | curtailed to the <b>metered volume</b> in that hour for the purposes of calculating the <b>uniform capacity value</b> for the asset in accordance with subsection 5(2).   |  |
|         |            | <b>Selection of Methodologies for Uniform Capacity Value Calculation</b>  |  |
| 4       |            | <p>The <b>ISO</b> must, when calculating a <b>uniform capacity value</b> for an asset, apply the methodologies as follows:</p> <ul style="list-style-type: none"> <li>(a) if the number of hours in the historical data set determined in accordance with subsection 3 is greater than or equal to 300 hours and less than or equal to 1250 hours then the methodologies in subsection 5 will be applied to the hours in the historical data set;</li> <li>(b) if the number of hours in the historical data set determined in accordance with subsection 3 is greater than or equal 1 hour and less than 300 hours then: <ul style="list-style-type: none"> <li>(i) the methodologies in subsection 5 will be applied to the hours in the historical data set, as applicable; and</li> <li>(ii) the methodology in subsection 6 will be applied to the number of hours that is 300 hours minus the hours in the historical data set, determined in accordance with subsection 3;</li> </ul> </li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>(c) if the number of hours in the historical data set determined in accordance with subsection 3 is 0 hours then the methodology in subsection 6 will be applied to 300 hours.</li> </ul> | <p>This language is appropriate for generators, however, for load assets it was determined that the uniform capacity value would be based on one year rather than five. Accordingly, another sub-section to section 4 must be written applicable to load assets with numbers between 0 and 250, rather than 0 to 1250.</p> |
|         |            | <b>Methodologies for Hours in the Historical Data Set</b>   |  |
| 5       | (1)        | <p>The <b>ISO</b> must, subject to subsections 5(2) through 5(8) calculate a <b>uniform capacity value</b> for an asset as follows:</p> <ul style="list-style-type: none"> <li>(a) calculate the hourly availability factor using the time weighted <b>available capability</b> as observed in the Energy Trading System, divided by <b>maximum capability</b> observed in each hour in the historical data set;</li> <li>(b) calculate the availability factor by averaging the hourly availability factors as</li> </ul>  |  |

| Section | Subsection | Proposed language   | Stakeholder comments |
|---------|------------|---|----------------------|
|         |            | <p>calculated in subsection 5(1)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the availability factor calculated in subsection 5(1)(b) by the asset's <b>maximum capability</b>.</p>   |                      |
| 5       | (2)        | <p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a wind or solar <b>aggregated generating facility</b> or a run of river hydroelectric <b>generating unit</b> or <b>aggregated generating facility</b>, or an aggregated asset containing a wind or solar <b>aggregated generating facility</b> or a run of river hydroelectric <b>generating unit</b> or <b>aggregated generating facility</b>, or assets that do not receive a dispatch as follows:</p> <p>(a) calculate the hourly capacity factor by adding <b>metered energy</b> and applicable <b>ancillary services</b> volumes observed in each hour in the historical data set, and dividing by <b>maximum capability</b>;</p> <p>(b) calculate the capacity factor by averaging each hourly capacity factor in subsection 5(2)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the capacity factor calculated in subsection 5(2)(b) by the asset's <b>maximum capability</b>.</p> |                      |
| 5       | (3)        | <p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an import asset as follows:</p> <p>(a) calculate the lesser of an asset's <b>available capability</b> or an asset's firm transmission over a transfer path observed in each hour in the historical data set, and dividing by an asset's firm transmission capacity over a transfer path;</p> <p>(b) calculate the availability factor by averaging each hourly availability factor in subsection 5(3)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the availability factor calculated in subsection 5(3)(b) by an asset's firm transmission capacity over a transfer path.</p>  |                      |
| 5       | (4)        | <p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a site with one or more onsite</p>   |                      |

| Section | Subsection | Proposed language   | Stakeholder comments   |
|---------|------------|---|--|
|         |            | <p><b>generating units</b> or <b>aggregated generating facilities</b> that self-supplies <b>capacity</b> and is dispatched gross-to-grid as follows:</p> <p>(a) calculate a gross <b>uniform capacity value</b> using the availability factor of the asset on the self-supply site as observed in each of the hours in the historical data set; and</p> <p>(b) translate the gross <b>uniform capacity value</b> calculated in subsection 5(4)(a) to a net <b>uniform capacity value</b> using a linear regression of net-to-grid energy relative to the energy market <b>dispatches</b> issued to the asset on the self-supply site.</p>   |  |
| 5       | (5)        | <p>The <b>ISO</b> must, subject to subsection 7, calculate a <b>uniform capacity value</b> for a load asset providing <b>firm consumption level</b> as follows:</p> <p>(a) identify the <b>metered energy</b> for the <b>settlement intervals</b> with the same <b>hour ending</b> as the hour the historical data set in the following <b>days</b>:</p> <p>(i) the 15 most recent <b>business days</b> prior to the <b>day</b> with the hour in the historical data set if the hour falls on a <b>business day</b>;</p> <p>(ii) the 10 most recent weekend <b>days</b> or holidays prior to the <b>day</b> with the hour in the historical data set if the hour falls on a weekend <b>day</b> or a holiday; or</p> <p>(iii) the <b>days</b> the <b>ISO</b> specifies if, in the 45 <b>day</b> period prior to the <b>day</b> with the hour in the historical data set, there are fewer than 15 <b>business days</b> and 10 weekend <b>days</b> when <b>days</b> containing <b>settlement intervals</b> identified in subsection 5(5)(b) are excluded;</p> <p>(b) determine if any <b>settlement intervals</b> referred to in subsection 5(a) contain any of hours in the historical data set in accordance with subsection 2;</p> <p>(c) calculate the qualified baseline as the average of the <b>metered energy</b> for the <b>settlement intervals</b> referred to in subsection 5(5)(a) excluding the <b>metered energy</b> for the <b>settlement intervals</b> identified in subsection 5(5)(b); and</p> <p>(d) minus an asset's declared <b>firm consumption level</b> from the qualified baseline calculated in subsection 5(5)(b).</p> | <p>ANC disagrees with the AESO's methodology for determining the qualified baseline. ANC suggests that the AESO is still trying to create a methodology for the uniform capacity value calculation of a load asset that is similar in nature to the uniform capacity value of a generator. While ANC is not suggesting that load assets should be treated in a manner than affords a competitive advantage, it is important to note that load and generation assets are different and, accordingly, require different treatment.</p> <p>The goal of the qualified baseline should be to determine the level of consumption that the load asset requires for its business operations prior to any load reductions made by the asset that contribute to reliability. Through its capacity payment, the AESO is purchasing reliability from assets able to provide it and in order for the load asset's contribution to reliability to be properly compensated, the qualified baseline must be representative of load prior to its contributions towards reliability.</p> <p>Along these lines, ANC submits that the following option for determining the qualified baseline of an FCL asset:</p> <p><u>Use actual consumption plus dispatched volumes</u></p> <p>This methodology can only be used after the first 12 months of the capacity market have occurred and the data is available. Beginning in November 2023, the AESO's look back baseline methodology could be used as long the AESO uses the sum of actual consumption and dispatch volumes, not only actual consumption.</p> <p><b>ANC's proposal: FCL loads will work with the AESO to develop a uniform capacity value based on this concept during the transitional period. After data becomes available, use the sum of actual consumption and dispatched</b></p> |

| Section | Subsection | Proposed language  | Stakeholder comments                        |
|---------|------------|--|---|
|         |            |  | <b>volumes in any baseline calculation.</b> |
| 5       | (6)        | The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a load asset providing <b>guaranteed load reduction</b> as the <b>guaranteed load reduction</b> declared in accordance with Section 206.1, <i>Qualification of Capacity</i> .  |   |
| 5       | (7)        | The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset with incremental capacity by<br><br>multiplying the performance factor calculated in accordance with subsections 5(1) through 5(6), as applicable, by the sum of the assets <b>maximum capability</b> and the amount of incremental capacity.   |   |
| 5       | (8)        | The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset that undergoes a derate in its <b>maximum capability</b> in accordance with subsection 5, as applicable, substituting the <b>maximum capability</b> of the asset for its derated <b>maximum capability</b> .  |   |
| 5       | (9)        | Where the <b>uniform capacity value</b> for at least 1 asset in an aggregated asset would otherwise be calculated in accordance with subsection 5(2), the <b>ISO</b> must calculate the <b>uniform capacity value</b> of all assets in the aggregated asset in accordance with subsection 5(2).  |   |
|         |            | <b>Methodologies for Hours not in the Historical Data Set</b>  |   |
| 6       | (1)        | The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset in accordance with subsection 4, as follows:<br><br>(a) using a class average performance factor multiplied by <b>maximum capability</b> , where the class average performance factor is:<br><br>(i) for a load asset, 91% unless the <b>ISO</b> specifies a class average performance factor based on Alberta load data; or<br><br>(ii) for all other assets, as specified by the <b>ISO</b> ;<br><br>(b) if a class average performance factor is not available, using a performance factor |   |

| Section | Subsection | Proposed language   | Stakeholder comments  |
|---------|------------|---|---|
|         |            | <p>based on engineering studies or equivalent engineering documents, or production or load estimates of the asset multiplied by <b>maximum capability</b>; or</p> <p>(c) if a class average performance factor and production or load estimates are not available, using a performance factor based on a review of similar assets in other jurisdictions multiplied by <b>maximum capability</b>.</p>   |   |
| 6       | (2)        | <p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an import asset where the hours in the historical data set are less than 250 as follows:</p> <p>(a) using the value declared, in accordance with Section 206.1, <i>Qualification of Capacity</i>, for the import asset; and</p> <p>(b) derating the value declared, in accordance with Section 206.1, <i>Qualification of Capacity</i>, to reflect the hours in the 1250 hours determined in accordance with subsection 2 where the British Columbia transfer path, Montana transfer path or Saskatchewan transfer path, as applicable, was out of service with an <b>available transfer capability</b> of 0 MW.</p> |   |
|         |            | <p><b>Test Requirement for Load Asset Providing a Firm Load Consumption</b></p>   |   |
| 7       | (1)        | <p>A <b>capacity market participant</b> must, if there were no delivery hours in the <b>obligation period</b> prior to <b>obligation period</b> that the <b>ISO</b> is calculating a <b>uniform capacity value</b> for in accordance with subsection 6(5), demonstrate to the <b>ISO</b> the ability of a load asset providing a <b>firm consumption level</b> to reduce down to the <b>firm consumption level</b> declared by the <b>capacity market participant</b> and maintain the reduction for 1 hour.</p>  | <p>ANC submits that an FCL asset's ability to deliver will be tested not only in delivery hours but in all hours throughout the year where that asset receives a dispatch. A capacity committed load asset will be required to submit price quantity pairs to the AESO and will be required to reduce the load within a specified time following all AESO dispatches. Compliance with the dispatch rules adequately proves an FCL's ability to reduce consumption even if an EEA event was not declared.</p> <p>ANC submits that if a load asset was dispatched down to its firm consumption level at any point during the obligation period, regardless of whether it was a delivery hour, that this should adequately satisfy the testing requirements for that obligation period.</p> <p>In this way, testing will only be required in years with low energy prices throughout all 8760 hours such that a load asset was never dispatched down to its firm consumption level during the delivery period.</p> |
| 7       | (2)        | <p>The <b>ISO</b> must, in the event that the load asset providing a <b>firm consumption level</b> fails</p>  |   |

| Section | Subsection | Proposed language   | Stakeholder comments |
|---------|------------|---|----------------------|
|         |            | the demonstration in subsection 7(1), adjust the <b>uniform capacity value</b> calculated in accordance with subsection 6(5) to reflect the observed load reduction.  |                      |
|         |            | <b>Calculation of Ranges for a Uniform Capacity Value</b>   |                      |
| 8       | (1)        | <p>The <b>ISO</b> must, subject to subsection 8(2), calculate 3 ranges for a <b>uniform capacity value</b> on an asset-specific basis as follows:</p> <p>(a) the 5% range, as follows:</p> <ul style="list-style-type: none"> <li>(i) calculate the upper limit, as follows: <ul style="list-style-type: none"> <li>(A) remove 5% of the hours identified in the historical data set, in which the asset’s availability factor or capacity factor, as applicable, was the lowest;</li> <li>(B) average the asset’s remaining availability factor or capacity factor, as applicable; and</li> <li>(C) multiply the average remaining availability factor or capacity factor, as applicable, by the asset’s <b>maximum capability</b>; and</li> </ul> </li> <li>(ii) calculate the lower limit, as follows: <ul style="list-style-type: none"> <li>(A) remove 5% of the hours identified in the historical data set, in which the asset’s availability factor or capacity factor, as applicable, was the highest;</li> <li>(B) average the asset’s remaining availability factor or capacity factor, as applicable; and</li> <li>(C) multiply the average remaining availability factor or capacity factor, as applicable, by the asset’s <b>maximum capability</b>;</li> </ul> </li> </ul> <p>(b) the +/- 2% range, as follows:</p> <ul style="list-style-type: none"> <li>(i) calculate the upper limit, as follows: <ul style="list-style-type: none"> <li>(A) 2% multiplied by the <b>maximum capability</b>;</li> <li>(B) added to the <b>uniform capacity value</b>; and</li> </ul> </li> </ul> |                      |

| Section | Subsection | Proposed language   | Stakeholder comments  |
|---------|------------|---|---|
|         |            | <ul style="list-style-type: none"> <li>(ii) calculate the lower limit, as follows:               <ul style="list-style-type: none"> <li>(A) 2% multiplied by the <b>maximum capability</b>;</li> <li>(B) subtracted from the <b>uniform capacity value</b>; and</li> </ul> </li> <li>(c) the +/- 1 MW range, as follows:               <ul style="list-style-type: none"> <li>(i) calculate the upper limit by adding 1 MW to the <b>uniform capacity value</b>; and</li> <li>(ii) calculate the lower limit by subtracting 1 MW to the <b>uniform capacity value</b>.</li> </ul> </li> </ul> |   |
| 8       | (2)        | <p>The <b>ISO</b> must not calculate the <b>uniform capacity value</b> ranges in subsection 7(1) for:</p> <ul style="list-style-type: none"> <li>(a) assets with <b>new capacity</b> or refurbished capacity;</li> <li>(b) incremental capacity;</li> <li>(c) a load asset; and</li> <li>(d) an import asset.</li> </ul>  |   |
|         |            | <p><b>Notification of Tightest Supply Cushion Hours and Preliminary Uniform Capacity Values</b></p>   |   |
| 9       | (1)        | <p>The <b>ISO</b> must publish on the AESO website:</p> <ul style="list-style-type: none"> <li>(a) the 1250 tightest supply cushion hours identified in accordance with subsection 2; and</li> <li>(b) the class averages referred to in subsection 6(a).</li> </ul>  | This section should include a deadline for publication each year. |
| 9       | (2)        | <p>The <b>ISO</b> must provide the following information to a <b>capacity market participant</b> on an asset-specific basis:</p> <ul style="list-style-type: none"> <li>(a) the hours in the historical data set, referred to in subsection 3;</li> <li>(b) the <b>uniform capacity value</b> calculated in accordance with subsections 4, 5 and 6, as applicable;</li> </ul>   | This section should include a deadline for publication each year. |

| Section          | Subsection        | Proposed language  | Stakeholder comments |
|------------------|-------------------|--|----------------------|
|                  |                   | <p>(c) the methodology used to calculate the <b>uniform capacity value</b>;</p> <p>(d) the greatest of the upper limits calculated in accordance with subsections 8(1)(a)(i), 8(1)(b)(i) and 8(1)(c)(i) to a maximum of the asset's <b>maximum capability</b>; and</p> <p>the lowest of the lower limits calculated in accordance with subsection 8(1)(a)(ii), 8(1)(b)(ii) and 8(1)(c)(ii) to a minimum of 1 MW.</p>   |                      |
|                  |                   | <p><b>Uniform Capacity Value Variances</b></p>   |                      |
| <p><b>10</b></p> | <p><b>(1)</b></p> | <p>A <b>capacity market participant</b> may, within the timelines prescribed by the <i>Capacity Market Auction</i> Guidelines and in the manner specified by the <b>ISO</b>, submit to the <b>ISO</b>:</p> <p>(a) a request to vary the <b>uniform capacity value</b> of an asset for a reason set out in subsection 10(2); and</p> <p>(b) detailed information in support of the request, including, as applicable:</p> <p>(i) metering or Energy Trading System data;</p> <p>(ii) information regarding a planned or completed physical change to the asset demonstrating that the <b>maximum capability</b> will increase or decrease by at least 1 MW;</p> <p>(iii) the characteristics, selection criteria and rationale for comparable assets, for class average and jurisdictional assessment requests, including:</p> <p>(A) <b>maximum capability</b>; and</p> <p>(B) available production and load data, and</p> <p>(iv) engineering studies or equivalent engineering documents, or production or load estimates which are specific to the asset at its location, completed by a qualified professional engineer.</p> |                      |
| <p><b>10</b></p> | <p><b>(2)</b></p> | <p>The <b>ISO</b> may accept a request made in accordance with subsection 10(1) on the following:</p> <p>(a) the metering or Energy Trading System data during the historical data set evaluated by the <b>ISO</b> did not accurately reflect the <b>available capability</b> of the</p>   |                      |



| Section | Subsection | Proposed language  | Stakeholder comments |
|---------|------------|--|----------------------|
|         |            | <p>asset;</p> <p>(b) the asset has or will undergo a physical change before the start of the <b>obligation period</b> that will increase or decrease the <b>maximum capability</b> of the asset by at least 1 MW; or</p> <p>(c) where the class average data, production or load estimates, or jurisdictional assessment used in calculating the <b>uniform capacity value</b>, in accordance with subsections 6(1)(a)(ii), 6(1)(b) or 6(1)(c), does not create a comparable representation of the asset's future performance.</p> |                      |
| 10      | (3)        | The <b>ISO</b> must notify the <b>capacity market participant</b> of its decision.   |                      |
|         |            | <b>Declaration and Assignment of Final Uniform Capacity Value</b>  |                      |
| 11      | (1)        | A <b>capacity market participant</b> must, in accordance with the timelines specified in the <i>Capacity Market Auction Guidelines</i> declare to the <b>ISO</b> , as applicable, the <b>uniform capacity value</b> within the range identified in subsection 8(1) that it will use for the auction.   |                      |
| 11      | (2)        | The <b>ISO</b> must, in accordance with the timelines specified in the <i>Capacity Market Auction Guidelines</i> , notify the <b>capacity market participant</b> of its assigned <b>uniform capacity value</b> .   |                      |

**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 206.3, <i>Uniform Capacity Value Determination</i> relates to the capacity market and why or why not   |                      |
| 2      | whether you agree that the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</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 206.3, <i>Uniform Capacity Value Determination</i> and whether, in your view, the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> meets the objective or purpose |                      |
| 4      | how, in your view, the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</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 206.3, <i>Uniform Capacity Value Determination</i>  |                      |
| 6      | whether you agree with the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market  |                      |

| Item # |  | Stakeholder comments |
|--------|--|----------------------|
| 7      | whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i>                         |                      |
| 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 206.3, Uniform Capacity Value Determination.***

Proposed New ISO rule – 206.8, *Obligation Period Performance Assessments*

|                           |                                 |         |                    |                 |                                |
|---------------------------|---------------------------------|---------|--------------------|-----------------|--------------------------------|
| Period of Comment:        | September 7, 2018               | through | September 28, 2018 | <b>Contact:</b> | Surendra Singh                 |
| <b>Comments From:</b>     | Alberta Newsprint Company (ANC) |         |                    | <b>Phone:</b>   | 780 778 1537                   |
| <b>Date [yyyy/mm/dd]:</b> | 2018/09/28                      |         |                    | <b>Email:</b>   | surendras@albertanewsprint.com |

***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 206.8 applies to:<br>(a) the <b>ISO</b> .   |                      |
|         |            | <b>Requirements</b><br><b>Availability Hours during an Obligation Period</b>  |                      |
| 2       | (1)        | The <b>ISO</b> must select 250 hours from each <b>obligation period</b> to assess availability as follows:<br>(a) calculate the supply cushion for every hour in an <b>obligation period</b> ;<br>(b) rank all hours based on supply cushion in ascending order;<br>(c) within the order referred to in subsection 2(1)(b), rank hours with equivalent supply cushion in ascending order from the most recent to the most distant of time; and<br>(d) select the first 250 hours after ranking in accordance with subsection 2(1)(b) and 2(1)(c). |                      |
| 2       | (2)        | The <b>ISO</b> must, in order to establish the availability hours for an asset, remove the following  |                      |

| Section | Subsection | Proposed language   | Stakeholder comments   |
|---------|------------|---|--|
|         |            | <p>hours from the 250 hours identified in subsection 2(1) on an asset-specific basis:</p> <ul style="list-style-type: none"> <li>(a) hours in which there was a state of markets suspension; and</li> <li>(b) hours that the <b>ISO</b> determines that the asset is affected by an event of limited markets operations, war, invasion, armed conflict, blockade, act of public enemy, riot, revolution, insurrection, act of terrorism, sabotage, act of vandalism, fire that does not originate at the asset, lightning, explosion, earthquake or flooding.</li> </ul>  |  |
|         |            | <b>Delivery Hours for a Settlement Period</b>   |  |
| 3       | (1)        | <p>The <b>ISO</b> must select hours to assess delivery for a <b>settlement period</b> by identifying any hours or portions thereof in which a supply shortfall has occurred and the <b>ISO</b> has declared an energy emergency event in accordance with Section 305.1 of the <b>ISO rules, Energy Emergency Alerts</b>.</p>  |  |
| 3       | (2)        | <p>The <b>ISO</b> must, in order to establish the delivery hours for an asset, remove the following hours from the hours selected in subsection 3(1) on an asset-specific basis:</p> <ul style="list-style-type: none"> <li>(a) hours in which there was a state of markets suspension; and</li> <li>(b) hours that the <b>ISO</b> determines that the asset was affected by an event of limited markets operations, war, invasion, armed conflict, blockade, act of public enemy, riot, revolution, insurrection, act of terrorism, sabotage, act of vandalism, fire that does not originate at the asset, lightning, explosion, earthquake or flooding.</li> </ul>  |  |
|         |            | <b>Look-back Baseline for a Load Asset Providing a Firm Consumption Level</b>   |  |
| 4       |            | <p>The <b>ISO</b> must, for each of the availability hours established in subsection 2(2), calculate the look-back baseline as a volume in MW for a load asset as follows:</p> <ul style="list-style-type: none"> <li>(a) identify the <b>metered energy</b> for the <b>settlement intervals</b> with the same <b>hour ending</b> as the availability hour in the <b>days</b> which must be either: <ul style="list-style-type: none"> <li>(i) the 15 most recent <b>business days</b> prior to the <b>day</b> with the availability hour if the availability hour falls on a <b>business day</b>;</li> <li>(ii) the 10 most recent weekend <b>days</b> or holidays prior to the <b>day</b> with the</li> </ul> </li> </ul> | <p>The look back baseline proposed by the AESO does not allow for accurate assessment of delivery on an FCL's capacity commitment. The capacity commitment of a generator is to produce a specific amount of energy when needed. The capacity commitment of a GLR load is to reduce load by a specified amount. The capacity commitment of a FCL load is to reduce load <u>to</u> a specified amount.</p> <p>In order to test compliance with a FCL capacity commitment during a delivery event, the AESO simply needs to assess whether the load asset is consuming at or below its FCL level. This is the methodology used in Section 11(1) and ANC supports the language in</p> |

| Section | Subsection | Proposed language  | Stakeholder comments   |
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|         |            | <p>availability hour if the availability hour falls on a weekend <b>day</b> or a holiday;<br/>or</p> <p>(iii) the <b>days</b> the <b>ISO</b> specifies if, in the 45 <b>day</b> period prior to the <b>day</b> with the availability hour, there are fewer than 15 <b>business days</b> and 10 weekend <b>days</b> when <b>days</b> containing <b>settlement intervals</b> identified in subsection 4(b) are excluded;</p> <p>(b) determine if any <b>settlement intervals</b> referred to in subsection 4(a) contain:</p> <p>(i) any of the availability hours established in subsection 2(2); or</p> <p>(ii) any of the delivery hours established in subsection 3(2); and</p> <p>(c) calculate the average of the <b>metered energy</b> for the <b>settlement intervals</b> referred to in subsection 4(a) excluding the <b>metered energy</b> for the <b>settlement intervals</b> identified in subsection 4(b).</p> | <p>that section.</p> <p>Section 4, however, is not consistent with the same test of compliance that has been accepted by the AESO for use in Section 11(1). ANC submits that the same logic and same test should be applied here. Given that capacity committed loads will be required to submit priced offers to the AESO, there is a simple methodology available for assessment of compliance in availability hours.</p> <p><b>ANC Proposal: An FCL load will be compliant with its capacity obligation in hours where its total load minus the sum of undispached MWs is equal to or less than its FCL. The AESO should calculate the formula below in each of the 250 tightest hours. If the average across all hours is positive, the FCL will pay a penalty. If negative, the FCL will earn an incentive.</b></p> <p style="text-align: center;"><b>Total load in the hour - undispached MWs in the merit order - FCL</b></p> <p>This approach is consistent with what the AESO is actually purchasing, i.e. the obligation that the load is reduced when needed. The AESO approach does not align with physical reality in terms of the product being purchased.</p> <p>At a minimum if the AESO is unwilling to consider these changes, ANC submits that Section 4 must include the same language from Section 5(1)(b) that states:</p> <p>(b) exclude or replace any of the <b>days</b> identified in subsection 5(1)(a) if the following occurred:</p> <p>(i) the asset received <b>dispatch</b> for an amount greater than 0 MW;</p> <p>(ii) delivery was assessed in accordance with subsection 9(1);</p> <p>(iii) the load asset was subject to a <b>delayed forced outage</b> or <b>automatic forced outage</b>;</p> <p>(iv) the load asset was subject to a <b>planned outage</b>; or</p> <p>(v) the load asset was tripped for the provision of <b>load shed service</b>;</p> |

| Section | Subsection | Proposed language  | Stakeholder comments |
|---------|------------|--|----------------------|
|         |            | <p><b>Delivery Baseline for a Load Asset Providing Guaranteed Load Reduction</b></p>   |                      |
| 5       | (1)        | <p>The <b>ISO</b> must, for each of the delivery hours established in subsection 3(2), calculate the standard baseline in MW as follows:</p> <ul style="list-style-type: none"> <li>(a) identify the <b>days</b> for the calculation which must be either:           <ul style="list-style-type: none"> <li>(i) the 10 most recent <b>business days</b> prior to the <b>day</b> with the delivery hour if the delivery hour falls on a <b>business day</b>;</li> <li>(ii) the 5 most recent weekend <b>days</b> or holidays prior to the <b>day</b> with the delivery hour if the delivery hour falls on a weekend <b>day</b> or a holiday; or</li> <li>(iii) the <b>days</b> the <b>ISO</b> specifies if, in the 35 <b>day</b> period prior to the <b>day</b> with the delivery hour, there are fewer than 10 <b>business days</b> and 5 weekend <b>days</b> when <b>days</b> identified in subsection 5(1)(b) are excluded or replaced;</li> </ul> </li> <li>(b) exclude or replace any of the <b>days</b> identified in subsection 5(1)(a) if the following occurred:           <ul style="list-style-type: none"> <li>(i) the asset received <b>dispatch</b> for an amount greater than 0 MW;</li> <li>(ii) delivery was assessed in accordance with subsection 9(1);</li> <li>(iii) the load asset was subject to a <b>delayed forced outage</b> or <b>automatic forced outage</b>;</li> <li>(iv) the load asset was subject to a <b>planned outage</b>; or</li> <li>(v) the load asset was tripped for the provision of <b>load shed service</b>;</li> </ul> </li> <li>(c) for each of the <b>days</b> identified in accordance with subsections 5(1)(a) excluding or replacing the <b>days</b> as indicated in subsection 5(1)(b), identify the <b>metered energy</b> for the <b>settlement interval</b> with the same <b>hour ending</b> as the delivery hour; and</li> <li>(d) calculate the average of the <b>metered energy</b> for the <b>settlement intervals</b> referred to in subsection 5(1)(c).</li> </ul> |                      |
| 5       | (2)        | <p>The <b>ISO</b> must, for each delivery hour established in subsection 3(2), calculate an adjustment factor as follows:</p>  |                      |



| Section | Subsection | Proposed language   | Stakeholder comments |
|---------|------------|---|----------------------|
|         |            | <p><math>adjustment\ factor = delivery\ consumption \div historical\ consumption_{3W}</math></p> <p>where:</p> <p>delivery consumption means the average consumption in MWh during the 3 hour window occurring 1 hour before the delivery hour;</p> <p>historical consumption means the average consumption in MWh during all of the 3W hours on the <b>days</b> identified in accordance with subsections 5(1)(a) and excluding or replacing the <b>days</b> as indicated in subsection 5(1)(b); and</p> <p>3W means the 3 hour window occurring 1 hour before the same <b>hour ending</b> as the delivery hour.</p> |                      |
| 5       | (3)        | <p>The <b>ISO</b> must establish the adjustment factor as:</p> <ul style="list-style-type: none"> <li>(a) 1.2 if the adjustment factor calculated in accordance with subsection 5(2) is greater than 1.2;</li> <li>(b) 0.8 if the adjustment factor calculated in accordance with subsection 5(2) is less than 0.8; or</li> <li>(c) the value calculated in accordance with subsection 5(2) in all other cases.</li> </ul>  |                      |
| 5       | (4)        | <p>The <b>ISO</b> must calculate the delivery baseline in MW as follows:</p> <p><math>delivery\ baseline = standard\ day\ baseline \times adjustment\ factor</math></p> <p>where:</p> <ul style="list-style-type: none"> <li>the standard day baseline in MW is calculated in accordance with subsection 5(1); and</li> <li>the adjustment factor is the value established in accordance with subsection 5(3).</li> </ul>   |                      |
|         |            | <p><b>Asset-specific Penalty Rate for Availability Assessment</b></p>   |                      |
| 6       | (1)        | <p>The <b>ISO</b> must calculate the asset-specific penalty rate in \$/MWh to be applied during the availability assessment, as follows:</p> <p><math>asset-specific\ penalty\ rate = \frac{capacity\ payment \times 12}{capacity\ commitment \times hours}</math></p>  |                      |

| Section | Subsection | Proposed language  | Stakeholder comments  |
|---------|------------|--|---|
|         |            | <p>where:</p> <p>capacity payment in \$/month is calculated for the asset in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>;</p> <p><b>capacity commitment</b> is in MW; and</p> <p>hours is the number of availability hours established in accordance with subsection 2(2).</p>   |   |
| 6       | (2)        | <p>The <b>ISO</b> must establish the asset-specific penalty rate in \$/MWh as:</p> <ul style="list-style-type: none"> <li>(a) \$133/MWh, if the rate calculated in accordance with subsection 6(1) is less than \$133/MWh and the clearing price of the <b>base auction</b> was greater than \$33/kW-year;</li> <li>(b) \$0/MWh, if the rate calculated in accordance with subsection 6(1) is less than \$0/MWh and the clearing price of the <b>base auction</b> was less than or equal to \$33/kW-year; or</li> <li>(c) the rate calculated in accordance with subsection 6(1) in all other cases.</li> </ul>  |   |
|         |            | <p><b>Availability Assessment</b></p>  |   |
| 7       | (1)        | <p>The <b>ISO</b> must, as soon as practicable after an <b>obligation period</b>, identify the asset's availability volume in MWh during each of the availability hours identified in subsection 2 as follows:</p> <ul style="list-style-type: none"> <li>(a) for an asset with a <b>uniform capacity value</b> based on a capacity factor, availability volume is based on the sum of the following for each <b>settlement interval</b>, as applicable: <ul style="list-style-type: none"> <li>(i) <b>metered energy</b>;</li> <li>(ii) in the case of an asset that was subject to a <b>dispatch for spinning reserve or supplemental reserve</b>, the volume that was provided according to Section 205.5 of the <b>ISO rules</b>, <i>Spinning Reserve Technical Requirements and Performance Standards</i> or Section 205.6 of the <b>ISO rules</b>, <i>Supplemental Reserve Technical Requirements and Performance Standards</i>;</li> <li>(iii) in the case of an asset that provides <b>regulating reserve</b>, the volume</li> </ul> </li> </ul> | <p>See previous comments regarding part (d). For a load asset that provides a firm consumption level, availability volume is calculated with consideration of the following:</p> <p style="text-align: center;"><b>Total load in the hour - undispached MWs in the merit order - FCL</b></p> <p>This reflects that the load has met its commitment to be reduced to at or below the FCL level in that hour.</p> |

| Section | Subsection | Proposed language  | Stakeholder comments |
|---------|------------|--|----------------------|
|         |            | <p>based on the <b>regulating reserve</b> provided pursuant to Section 205.4 of the <b>ISO rules</b>, <i>Regulating Reserve Technical Requirements and Performance Standards</i> that is not captured as <b>metered energy</b>; and</p> <p>(iv) in the case of an asset that was impacted by a <b>transmission market constraint</b>, the volume that was curtailed;</p> <p>(b) for an asset with a <b>uniform capacity value</b> based on <b>availability factor</b>, availability volume is equal to:</p> <p>(i) the <b>available capability</b> submitted into the Energy Trading System where the <b>offer</b> for electric energy was available for <b>dispatch</b> for that <b>settlement interval</b>; and</p> <p>(ii) if applicable, any <b>operating reserves</b> provided in that <b>settlement interval</b> pursuant to a <b>dispatch</b>; or</p> <p>(ii) 0 MW when there was no electric energy from the asset available for dispatch for that <b>settlement interval</b>;</p> <p>(c) for a load asset that provides a <b>guaranteed load reduction</b>, availability volume is the <b>available capability</b> for that <b>settlement interval</b>;</p> <p>(d) for a load asset that provides a <b>firm consumption level</b>, availability volume is based on the difference between the look-back baseline calculated in accordance with subsection 3 and the <b>firm consumption level</b> for that <b>settlement interval</b>;</p> <p>(e) for self-supply assets that are dispatched gross to grid, availability volume is based on the linear regression approach set out in Section 206.3 of the <b>ISO rules</b>, <i>Determination of Uniform Capacity Value</i>; and</p> <p>(f) for an import asset, availability volume is the <b>available capability</b> for that <b>settlement interval</b> capped at the volume of firm transmission established in accordance with Section 206.1 of the <b>ISO Rules</b>, <i>Qualification of Capacity</i>.</p> |                      |
| 7       | (2)        | <p>The <b>ISO</b> must calculate the assessment volume in MWh for an asset as follows:</p> $\text{assessment volume} = \sum \text{availability volume} - \text{capacity commitment} \times \text{hours}$ <p>where:</p> <p>availability volume in MWh is the value identified for each of the availability</p>  |                      |

| Section | Subsection | Proposed language  | Stakeholder comments |
|---------|------------|--|----------------------|
|         |            | <p>hours in accordance with subsection 7(1); and</p> <p>hours is the number of availability hours established in accordance with subsection 2(2).</p>  |                      |
|         |            | <p><b>Under-availability Adjustment</b></p>  |                      |
| 8       | (1)        | <p>The <b>ISO</b> must, when the assessment volume calculated in accordance with subsection 7(2) is negative, calculate the under-availability adjustment in dollars for an asset as follows:</p> <p style="text-align: center;"><i>under-availability adjustment = adjustment rate x assessment volume</i></p> <p>where:</p> <p>adjustment rate in \$/MWh is calculated in accordance with subsection 8(2); and</p> <p>assessment volume in MWh is calculated in accordance with subsection 7(2).</p>   |                      |
| 8       | (2)        | <p>The <b>ISO</b> must calculate the adjustment rate in \$/MWh, for each asset, as follows:</p> <p style="text-align: center;"><i>adjustment rate = 40% x 1.3 x asset-specific penalty rate</i></p> <p>where:</p> <p>asset-specific penalty rate in \$/MWh is determined in accordance with subsection 6(2).</p>   |                      |
| 8       | (3)        | <p>The <b>ISO</b> must, for each asset, limit the under-availability adjustment amount for an <b>obligation period</b> to:</p> <ul style="list-style-type: none"> <li>(a) an amount in dollars equal to the annual cap determined in accordance with subsection 14(2) minus the sum of all under-delivery adjustments determined in accordance with subsection 12(3) for the <b>obligation period</b>, if the sum of the under-availability adjustment determined in accordance with subsection 8(1) and under-delivery adjustments for the <b>obligation period</b> is greater than the annual cap; or</li> <li>(b) the amount in dollars calculated in accordance with subsection 8(1), in all other cases.</li> </ul> |                      |

| Section | Subsection | Proposed language  | Stakeholder comments |
|---------|------------|--|----------------------|
|         |            | <p><b>Over-availability Adjustment</b></p>   |                      |
| 9       | (1)        | <p>The <b>ISO</b> must, when the assessment volume calculated in accordance with subsection 7(2) is positive, calculate the over-availability adjustment in dollars for an asset as follows:</p> $\text{over-availability adjustment} = \text{adjustment rate} \times \text{assessment volume}$ <p>where:</p> <p>adjustment rate is the value calculated in accordance with subsection 9(2); and<br/>assessment volume in MWh is calculated in accordance with subsection 7(2).</p>  |                      |
| 9       | (2)        | <p>The <b>ISO</b> must calculate the adjustment rate in \$/MWh, which is the same value for all assets, as follows:</p> $\text{adjustment rate} = \frac{\sum \text{under-availability adjustments}}{\sum \text{positive assessment volumes}}$ <p>where:</p> <p>under-availability adjustments in dollars is determined in accordance with 8(3) for all assets subject to a <b>capacity commitment</b> in an <b>obligation period</b>; and<br/>positive assessment volumes in MWh is the positive values calculated in accordance with subsection 7(2) for all assets subject to a <b>capacity commitment</b> in an <b>obligation period</b>.</p> |                      |
| 9       | (3)        | <p>The <b>ISO</b> must, for each asset, limit the over-availability adjustment amount for an <b>obligation period</b> to an amount in dollars equal to the annual cap determined in accordance with subsection 15 minus the sum of all over-delivery adjustments determined in accordance with subsection 13(3) for the <b>obligation period</b>.</p>  |                      |
|         |            | <p><b>Asset-specific Penalty Rate for Delivery Assessments</b></p>   |                      |
| 10      | (1)        | <p>The <b>ISO</b> must calculate the asset-specific penalty rate in \$/MWh for an asset, to be applied during the delivery assessments, as follows:</p> $\text{asset-specific penalty rate} = \frac{\text{capacity payment} \times 12}{\text{capacity commitment} \times \text{hours}}$  |                      |

| Section | Subsection | Proposed language   | Stakeholder comments  |
|---------|------------|---|---|
|         |            | <p>where:</p> <p>capacity payment in \$/month is calculated for the asset in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>; and</p> <p>hours is the greater of 20 or the forecasted number of energy supply shortfall hours for the <b>obligation period</b> as described in the <i>Capacity Market Auction Guidelines</i> published for the last <b>rebalancing auction</b> of the <b>obligation period</b>.</p>   |   |
| 10      | (2)        | <p>The <b>ISO</b> must establish the asset-specific penalty rate in \$/MWh as:</p> <ul style="list-style-type: none"> <li>(a) \$1,667/MWh, if the rate calculated in accordance with subsection 10(1) is less than \$1,667/MWh and the clearing price of the <b>base auction</b> was greater than \$33/kW-year;</li> <li>(b) \$0/MWh, if the rate calculated in accordance with subsection 10(1) is less than \$0/MWh and the clearing price of the <b>base auction</b> was less than or equal to \$33/kW-year or</li> <li>(b) the rate calculated in accordance with subsection 10(1) in all other cases.</li> </ul>   |   |
|         |            | <p><b>Delivery Assessments</b></p>  |   |
| 11      | (1)        | <p>The <b>ISO</b> must, as soon as practicable in the <b>settlement period</b> following each delivery hour established in subsection 3(2), identify an asset's delivery volume in MWh during each of the delivery hours as follows:</p> <ul style="list-style-type: none"> <li>(a) for an asset with a <b>uniform capacity value</b> based on a <b>capacity factor</b> or <b>availability factor</b>, the delivery volume is based on the sum of the following for each <b>settlement interval</b>, as applicable: <ul style="list-style-type: none"> <li>(i) <b>metered energy</b>;</li> <li>(ii) in the case of an asset that was subject to a <b>dispatch</b> for <b>spinning reserve</b> or <b>supplemental reserve</b>, the volume that was provided according to Section 205.5 of the <b>ISO rules</b>, <i>Spinning Reserve Technical Requirements and Performance Standards</i> or Section 205.6 of the <b>ISO rules</b>, <i>Supplemental Reserve Technical Requirements and Performance Standards</i>; and</li> <li>(iii) in the case of an asset that provided <b>regulating reserve</b>, the volume</li> </ul> </li> </ul> | <p>ANC agrees with the calculation of penalties for FCL load during delivery periods as stated in part (c) of this section.</p> |

| Section | Subsection | Proposed language   | Stakeholder comments |
|---------|------------|---|----------------------|
|         |            | <p>based on the <b>regulating reserve</b> provided pursuant to Section 205.4 of the <b>ISO rules</b>, <i>Regulating Reserve Technical Requirements and Performance Standards</i> that is not captured as <b>metered energy</b>;</p> <p>(b) for a load asset that provides a <b>guaranteed load reduction</b>, the delivery volume is equal to the delivery baseline calculated in accordance with subsection 5(4) minus the following for each <b>settlement interval</b>, as applicable:</p> <ul style="list-style-type: none"> <li>(i) <b>metered energy</b>; and</li> <li>(ii) in the case of an asset that provided <b>spinning reserve</b> or <b>supplemental reserve</b>, the volume that was dispatched.</li> </ul> <p>(c) for a load asset that provides a <b>firm consumption level</b>, the delivery volume is equal to the qualified baseline as calculated in accordance with Section 206.3 of the <b>ISO rules</b>, <i>Determination of Uniform Capacity Value</i> minus the following for each <b>settlement interval</b>, as applicable:</p> <ul style="list-style-type: none"> <li>(i) <b>metered energy</b>; and</li> <li>(ii) in the case of an asset that provided <b>spinning reserve</b> or <b>supplemental reserve</b>, the volume that was dispatched.</li> </ul> <p>(d) for self-supply configurations with excess generation, the delivery volume is based on <b>metered energy</b>; and</p> <p>(e) for an import asset, the delivery volume is:</p> <ul style="list-style-type: none"> <li>(i) the volume in a validated <b>e-tag</b>; or</li> <li>(ii) in the case of an import asset where the <b>offer</b> price is greater than or equal to \$0.01 per MWh during the first two delivery hours that are subject to the limits referenced in Section 303.2 of the <b>ISO rules</b>, <i>Available Transfer Capability</i>, the volume in the <b>offer</b>.</li> </ul> |                      |
| 11      | (2)        | <p>The <b>ISO</b> must adjust the delivery volumes identified in subsection 11(1) for each delivery hour to include any delivery volume adjustments due to any substitutions which was approved in accordance with Section 206.9 of the <b>ISO rules</b>, <i>Asset Substitution</i>, and as follows:</p> <ul style="list-style-type: none"> <li>(a) in the case of an asset that was impacted by a <b>transmission market</b></li> </ul>  |                      |

| Section | Subsection | Proposed language  | Stakeholder comments |
|---------|------------|--|----------------------|
|         |            | <p><b>constraint</b>, the volume that was curtailed will be added to the delivery volume identified in subsection 11(1);</p> <p>(b) in the case of a load asset that was armed for the provision of <b>load shed service</b>, the volume that was armed will be added to the delivery volume identified in subsection 11(1); or</p> <p>(c) in all other cases, no adjustments to the delivery volume identified in subsection 11(1).</p>   |                      |
| 11      | (3)        | <p>The <b>ISO</b> must calculate the assessment volume in MWh for an asset during each delivery hour established in subsection 3(2) as follows:</p> $\text{assessment volume} = \text{delivery volume} - (\text{capacity commitment volume} \times \text{balancing ratio})$ <p>where:</p> <p>delivery volume in MWh is the value in identified in subsection 11(2);</p> <p>capacity commitment volume in MWh means the quantity of electric energy expected to be delivered from an asset based on its <b>capacity commitment</b> during the supply shortfall hour or portion thereof; and</p> <p>balancing ratio is the value calculated in subsection 11(5).</p>   |                      |
| 11      | (4)        | <p>The <b>ISO</b> must establish the assessment volume in MWh for an asset for each delivery hour established in subsection 3(2) as follows:</p> <p>(a) for an asset with a <b>uniform capacity value</b> based on a <b>capacity factor</b> or <b>availability factor</b>, the assessment volume is calculated in accordance with subsection 11(3) and subject to any reallocation volumes which were approved in accordance with Section 206.10 of the <b>ISO rules</b>, <i>Volume Reallocation</i>;</p> <p>(b) for self-supply configurations with excess generation the assessment volume is calculated in accordance with subsection 11(3) and subject to any reallocation volumes which were approved in accordance with Section 206.10 of the <b>ISO rules</b>, <i>Volume Reallocation</i>;</p> <p>(c) for an import asset, the assessment volume is calculated in accordance with subsection 11(3) and subject to any reallocation volumes which were</p> |                      |



| Section | Subsection | Proposed language   | Stakeholder comments |
|---------|------------|---|----------------------|
|         |            | <p>approved in accordance with Section 206.10 of the <b>ISO rules</b>, <i>Volume Reallocation</i>; or</p> <p>(d) for a load asset that provides a <b>guaranteed load reduction</b> or a <b>firm consumption level</b>:</p> <p>(i) if the delivery hour occurred on a <b>day</b> which the load asset was subject to a <b>delayed forced outage</b> or <b>automatic forced outage</b>, that is not the first day of that <b>delayed forced outage</b> or <b>automatic forced outage</b>, the assessment volume is 0 MWh;</p> <p>(ii) if the supply shortfall hour occurred on a <b>day</b> which the load asset was subject to a <b>planned outage</b>, the assessment volume is 0 MWh; or</p> <p>(iii) in all other cases, the assessment volume is calculated in accordance with subsection 11(3) and subject to any reallocation volumes which were approved in accordance with Section 206.10 of the <b>ISO rules</b>, <i>Volume Reallocation</i>.</p> |                      |
| 11      | (5)        | <p>The <b>ISO</b> must calculate for each delivery hour established in subsection 3(2), the balancing ratio as follows:</p> $balancing\ ratio = \min\left\{\frac{\sum\ delivery\ volumes}{\sum\ capacity\ commitment\ volumes}, 1\right\}$ <p>where:</p> <p>delivery volumes in MWh is the values identified in subsection 11(2) for all assets subject to a <b>capacity commitment</b> in an <b>obligation period</b>; and</p> <p>capacity commitment volumes in MWh means, for each asset subject to a <b>capacity commitment</b> in an <b>obligation period</b>, the quantity of electric energy expected to be delivered from an asset based on its <b>capacity commitment</b> during the supply shortfall hour or portion thereof.</p>   |                      |
|         |            | <p><b>Under-delivery Adjustment</b></p>   |                      |
| 12      | (1)        | <p>The <b>ISO</b> must, when the assessment value determined in accordance with subsection 11(4) is negative, calculate the under-delivery adjustment in dollars for an asset as follows:</p> $under-delivery\ adjustment = adjustment\ rate \times assessment\ volume$   |                      |

| Section | Subsection | Proposed language  | Stakeholder comments |
|---------|------------|--|----------------------|
|         |            | where:<br>adjustment rate in \$/MWh is calculated in accordance with subsection 12(2); and<br>assessment volume in MWh is the value determined in accordance with subsection 11(4).  |                      |
| 12      | (2)        | The ISO must calculate the adjustment rate in \$/MWh as follows:<br>$\text{adjustment rate} = 60\% \times 1.3 \times \text{asset-specific penalty rate}$ where asset-specific penalty rate in \$/MWh is determined in accordance with subsection 10(2).  |                      |
| 12      | (3)        | The ISO must, for each asset, cap the under-delivery adjustment amount for each <b>settlement period</b> to the lesser of: <ul style="list-style-type: none"> <li>(a) the monthly cap determined in accordance with subsection 14(1); or</li> <li>(b) an amount equal to the annual cap determined in accordance with subsection 14(2) minus the sum of all under-delivery adjustments calculated in accordance with this subsection 12(3) for the prior <b>settlement periods</b> of the <b>obligation period</b>.</li> </ul> |                      |
|         |            | <b>Over-delivery Adjustment</b>  |                      |
| 13      | (1)        | The ISO must, when the assessment value determined in accordance with subsection 11(4) is positive, calculate the over-delivery adjustment in dollars for an asset as follows:<br>$\text{over-delivery adjustment} = \text{adjustment rate} \times \text{assessment volume}$ where:<br>adjustment rate in \$/MWh is calculated in accordance with subsection 13(2); and<br>assessment volume in MWh is the value determined in accordance with subsection 11(4).   |                      |
| 13      | (2)        | The ISO must calculate the adjustment rate in \$/MWh as follows:<br>$\text{adjustment rate} = \frac{\sum \text{under-delivery adjustments}}{\sum \text{positive assessment volumes}}$  |                      |

| Section | Subsection | Proposed language  | Stakeholder comments |
|---------|------------|--|----------------------|
|         |            | <p>where:</p> <p>under-delivery adjustments in dollars is determined in accordance with 12(3) for all assets subject to a <b>capacity commitment</b> in an <b>obligation period</b>; and</p> <p>positive assessment volumes in MWh are the positive values calculated in accordance with subsection 11(4) for all assets subject to a <b>capacity commitment</b> in an <b>obligation period</b>.</p>   |                      |
| 13      | (3)        | <p>The <b>ISO</b> must, for each asset, limit the over-delivery adjustment amount in dollars for a <b>settlement period</b> to an amount equal to the annual cap determined in accordance with subsection 15 minus the sum of all over-delivery adjustments determined in accordance with this subsection 13(3) for the prior <b>settlement periods</b> of the <b>obligation period</b>.</p>   |                      |
|         |            | <p><b>Maximum Payment Adjustments for Under-availability and Under-delivery</b></p>  |                      |
| 14      | (1)        | <p>The <b>ISO</b> must cap for each asset, any under-delivery adjustment for a <b>settlement period</b> at an amount in dollars equal to:</p> <p>(a) <math>monthly\ cap = capacity\ payment \times 3</math></p> <p>where capacity payment in \$/month is the asset's monthly capacity payment calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>; or</p> <p>(b) <math>monthly\ cap = default\ rate \times capacity\ commitment \times max\{supply\ shortfall\ hours, 20\}</math></p> <p>where the default rate is \$417/MW.</p> |                      |
| 14      | (2)        | <p>The <b>ISO</b> must cap for each asset, the sum of any under-availability adjustment and under-delivery adjustments for each <b>obligation period</b> at an amount in dollars equal to the greater of:</p> <p>(a) <math>annual\ cap = capacity\ payment \times 12 \times 1.3</math></p> <p>where capacity payment in \$/month is the asset's monthly capacity payment calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>; or</p> <p>(b) <math>annual\ cap = default\ rate \times capacity\ commitment</math></p>             |                      |

| Section | Subsection | Proposed language   | Stakeholder comments |
|---------|------------|---|----------------------|
|         |            | where the default rate is \$33,333/MW.  |                      |
|         |            | <b>Maximum Payment Adjustments for Over-availability and Over-delivery</b>  |                      |
| 15      |            | <p>The <b>ISO</b> must cap for each asset, the sum of any over-availability adjustment and over-delivery adjustments for an <b>obligation period</b> at an amount in dollars equal to the greater of:</p> <ul style="list-style-type: none"> <li>(a) <i>annual cap = capacity payment x 12</i><br/>           where capacity payment means the assets monthly capacity payment in dollars determined in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>; or</li> <li>(b) <i>annual cap = default rate x <b>capacity commitment</b></i><br/>           where the default rate is \$33,333/MW.</li> </ul> |                      |

**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 206.8, <i>Obligation Period Performance Assessments</i> relates to the capacity market and why or why not  |                      |
| 2      | whether you agree that the proposed new ISO Rule – Section 206.8, <i>Obligation Period Performance Assessments</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 206.8, <i>Obligation Period Performance Assessments</i> and whether, in your view, the proposed new ISO Rule – Section 206.8, <i>Obligation Period Performance Assessments</i> meets the objective or purpose |                      |
| 4      | how, in your view, the proposed new ISO Rule – Section 206.8, <i>Obligation Period Performance Assessments</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 206.8, <i>Obligation Period Performance Assessments</i>   |                      |

| Item # |   | Stakeholder comments  |
|--------|---|---|
| 6      | whether you agree with the proposed new ISO Rule – Section 206.8, <i>Obligation Period Performance Assessments</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market | <p>The performance assessment rules for FCL capacity committed load are not consistent with the principle of a fair, efficient, and openly competitive market. In an attempt to treat load and generation the same, the AESO has ignored that they are different assets. Similar rules or identical treatment are not what is needed for fair treatment and fostering of competition. In an attempt to write identical rules, the AESO has unfairly biased against FCL capacity committed load such that they will be paid less for their obligation (through the uniform capacity value calculation) and unfairly penalized when they are compliant with their obligation.</p> <p>As noted above, the capacity commitment of an FCL load is to reduce load <u>to</u> a specified amount. This requires a different measurement technique from generating assets and from GLR load assets in order to achieve the principle of a fair, efficient, and openly competitive market. Each asset should be tested against its commitment. It is then okay to test in different ways. The important test for an FCL load is: did the asset reduce to its committed level during delivery events and was the asset available to be dispatched down to its committed level during availability assessment hours? Please see the comments above for specifics on how to perform this test.</p> |
| 7      | whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.8, <i>Obligation Period Performance Assessments</i>   |   |
| 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 206.8, Obligation Period Performance Assessments.***