

Stakeholder Comments and AESO Replies Matrix



Proposed New Section 103.11 of the ISO Rules, *Capacity Market Financial Security Requirements*

Date of Request for Comment:	October 26, 2018		
Period of Comment:	October 26, 2018	through	November 14, 2018

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<p>Financial Security for the Payment Adjustment Balance Limit Subsection 3(1)</p>	
<p><u>ATCO Electricity Generation (“ATCO”)</u></p> <p>ATCO submits that the AESO should designate the way it will determine the forecast payment adjustment balance in the rule. ATCO submits that this information is an essential part of the rule and is required for market participant certainty. It is not adequate for the ISO to determine the forecast payment adjustment in an information document or in some process outside the authoritative nature of the ISO Rule.</p> <p>3(1) The ISO must calculate the security for the payment adjustment balance limit for an asset subject to a capacity commitment as follows:</p> <p><i>payment adjustment balance security = payment adjustment balance limit – forecast payment adjustment balance</i> where:</p> <p>(a) payment adjustment balance limit is the limit calculated in subsection 3(2);</p> <p>(b) forecast payment adjustment balance is the amount in dollars determined by the ISO.</p>	<p>The AESO agrees that further clarity can be added to subsection 3(1) and will adjust Proposed Section 103.11 to indicate that the forecast payment adjustment balance will be determined utilizing an asset’s known forward capacity obligations and prices and an estimate of potential availability assessment penalty exposure for the current obligation period. The AESO does not agree that the calculation methodology should be contained in the rule as implementation flexibility is required on a case by case basis.</p>
<p><u>The Cogeneration Working Group (“CWG”)</u></p> <p>This rule requires more information. It must be outlined in another rule in order to provide how the forecast payment adjustment is calculated.</p> <p>3(1) (b) forecast payment adjustment balance is the amount in dollars determined by the ISO in accordance with ...[another ISO Rule].</p>	<p>Please see the AESO’s response to ATCO’s comment on subsection 3(1) above.</p>

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
Financial Security for New Capacity, Refurbished Capacity and Incremental Capacity Prior to a Base Auction or Rebalancing Auction Subsection 4(1)	
<p>The Cogeneration Working Group (“CWG”)</p> <p>The 5% seems to have been inadvertently left out when the AESO changed the formatting of the formula.</p> <p>(5) The ISO must calculate the security requirement from an asset with refurbished capacity in accordance with the following formula:</p> $\text{security requirement} = \text{unit rate} \times \text{escalation rate} \times \text{uniform capacity value} \times 5\%$	<p>The AESO will correct this inadvertent error in Proposed Section 103.11.</p>

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

Item #		Stakeholder comments	AESO Replies
1	whether you agree that Section 103.11 of the ISO Rules, <i>Capacity Market Financial Security Requirements</i> relates to the capacity market and why or why not	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power agrees that the proposed rule relates to the capacity market.	The AESO acknowledges Capital Power’s comment.
2	whether you agree that Section 103.11 of the ISO Rules, <i>Capacity Market Financial Security Requirements</i> should or should not be in effect for a fixed term and why or why not	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power does not see any rationale for prescribing a fixed term for the proposed rule and as such believes that the proposed rule should not be in effect for a fixed term. This will provide needed certainty to market participants regarding the longevity of the capacity market rules and design.	The AESO acknowledges Capital Power’s comment.
3	whether you understand and agree with the objective or purpose of Section 103.11 of the ISO Rules, <i>Capacity Market Financial Security Requirements</i> and whether, in your view, Section 103.11 of the ISO Rules, <i>Capacity Market Financial Security Requirements</i> meets the objective or purpose	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.	
4	how, in your view, Section 103.11 of the ISO Rules, <i>Capacity Market Financial Security Requirements</i> affects the performance of the capacity market and the electricity market	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 103.11 of the ISO Rules, <i>Capacity Market Financial Security Requirements</i>	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power is not aware of any analysis conducted or commissioned by the AESO supporting the proposed rule and as such has no comments at this time.	

6	whether you agree with Section 103.11 of the ISO Rules, <i>Capacity Market Financial Security Requirements</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.	
7	whether you would suggest any alternatives to Section 103.11 of the ISO Rules, <i>Capacity Market Financial Security Requirements</i>	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.	
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	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.	
10	whether you have any additional comments	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no further comments at this time.	