

Stakeholder Comments and AESO Replies Matrix



Proposed New Section 201.14 of the ISO Rules, *Capacity Market Offer Control Information*

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>Offer Control Information</p> <p>Subsection 2</p>	
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Subsection 2 should specify the timelines for capacity market participants to submit offer control information to the ISO as opposed to deferring to the <i>Capacity Market Auction Guidelines</i>. Capital Power supports improvements made to Subsection 2 since its last release, however, believes that the timelines for capacity market participants to submit offer control information to the ISO should be specified in the rule and not the <i>Capacity Market Auction Guidelines</i>. These timelines are likely to (and should) remain static across all base auctions and thus should be specified in the rule.</p> <p>Capital Power also notes that the AESO’s current IT infrastructure may require changes to delineate the respective quantities controlled by persons that share an offer block. Capital Power would appreciate further information, as soon as reasonably practicable, regarding when the AESO will engage stakeholders on the further development of this infrastructure to ensure market participants are aware of and can prepare for these changes so the associated interfacing platforms can be integrated in a seamless manner.</p>	<p>Please see the AESO’s replies to subsection 4 in the AESO’s Replies to Proposed Section 202.6, <i>Base Auctions and Rebalancing Auctions</i> matrix.</p>
<p>Subsection 3(2)</p>	
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Capital Power proposes the changes to the left for clarity.</p>	<p>The AESO does not agree with Capital Power’s recommended additions. Please see the proposed definitions of “offer control information” and “offer” in the Proposed New, Amended and Removed Energy</p>

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<p>3(2) A capacity market participant must ensure that the offer control information submitted in subsection 3(1) for an asset aligns with the offer control information submitted in subsection 2 for that same asset.</p>	<p>and Ancillary Services Markets Terms and Definitions Stakeholder Comments and AESO Replies matrix.</p>
<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>3(2) A capacity market participant must ensure that the offer control information submitted in subsection 3(1) aligns with the offer control information submitted in subsection 2 except in the case of jointly owned assets where each joint owner separately must ensure that offer control information submitted in subsection 3(1) aligns with the offer control information submitted in subsection 2.</p> <p>This subsection currently creates unfair and unreasonable compliance risk for owners of jointly owned assets - each joint owner should be required to separately comply with subsection 3(2) for jointly submitted offer control information, as indicated in our recommended changes to the rule in yellow highlighted text.</p> <p>TransAlta has concerns about subsection 3(2) and the liability it creates for compliance penalties associated with offer control information for jointly owned assets. For example, as currently written, a capacity market participant that is required to submit offers and offer control information related to a jointly owned asset may not know the full details of its joint owner partner’s subsection 2 offer control information submission. It is unfair and unreasonable to assign compliance risk to one joint owner for the actions of another joint owner.</p> <p>TransAlta’s recommendations outlined in our comments to subsection 3(1) above should minimize these issues. Therefore, we recommend amending this subsection to remove compliance penalty risk associated with the offer control information submission of a joint owner partner.</p>	<p>The AESO does not agree with TransAlta's recommendation because it introduces unnecessary administrative complexity. The AESO has implemented the comprehensive market design such that one party per asset bears all rights and obligations in the capacity market. As such, the offer control information will be submitted by the single capacity market participant for the asset. Assets that are jointly owned will have a single capacity market participant that represents all owners. The AESO expects that preferential sharing agreements to be addressed in the <i>Fair, Efficient and Open Competition Regulation</i>.</p>
<p>Associates of a Person</p> <p>Subsection 4(1)</p>	
<p><u>Alberta Federation of Electrification Associations (“AFREA”)</u></p> <p>4(1) A capacity market participant must submit any and all associates of a person identified in offer control information, where associates of a person is calculated defined in the manner set out in</p>	

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<p>subsection 5(1)(a) of the <i>Fair, Efficient, and Open Competition Regulation</i>, in the manner the ISO specifies.</p>	<p>The AESO agrees with AFREA’s recommended changes and will incorporate in the Proposed Section 201.14.</p>
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Capital Power reiterates its previous comment that the list of associates submitted pursuant to subsection 4(1) should be limited only to those associates participating in the Alberta power pool.</p> <p>This clarification will ensure that only relevant associates (those directly associated or affiliated with a pool participant for the purposes of participating in Alberta’s power pool) are required to be reported.</p>	<p>The AESO is of the view that the associates should be limited to Alberta electricity sector participants. “Power pool” is, by definition, limited to the energy market which is too narrow:</p> <p style="padding-left: 40px;">power pool as defined in the Act means the scheme operated by the AESO for (i) exchanges of electric energy, and (ii) financial settlement for the exchange of electric energy.</p> <p>The AESO will update Proposed Section 201.14 accordingly.</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 201.14 of the ISO Rules, <i>Capacity Market Offer Control Information</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.
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.
2	whether you agree that Section 201.14 of the ISO Rules, <i>Capacity Market Offer Control Information</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.
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.
3	whether you understand and agree with the objective or purpose of Section 201.14 of the ISO Rules, <i>Capacity Market Offer Control Information</i> and whether, in your view, Section 201.14 of the ISO Rules, <i>Capacity Market Offer Control Information</i> meets the objective or purpose	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.	
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.

4	how, in your view, Section 201.14 of the ISO Rules, <i>Capacity Market Offer Control Information</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.	
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.
5	your views on any analysis conducted or commissioned by the AESO supporting Section 201.14 of the ISO Rules, <i>Capacity Market Offer Control Information</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.	
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.
6	whether you agree with Section 103.9, 201.14 of the ISO Rules, <i>Capacity Market Offer Control Information</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.	
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s submission in the AESO Replies to TransAlta’s Appendix 1 matrix.
7	whether you would suggest any alternatives to Section 201.14 of the ISO Rules, <i>Capacity Market Offer Control Information</i>	<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.	
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.

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.	
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.
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.	
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.
10	whether you have any additional comments	<u>Alberta Federation of Electrification Associations (“AFREA”)</u> AFREA continues to review the voluminous comments from other stakeholders and, as such, refrains from any final position on this proposed rule. AFREA reserves the right to comment in further proceedings or processes about this or other ISO rules, and its impact on consumers in general and REA members specifically. Where applicable, AFREA comments upon the rationale of its changes which, in its view clarify the rule, align it more closely to the public interest, provide for greater reliability at a more reasonable cost, clarify the implementation of the capacity market, or a combination therein. In AFREA’s view, the public interest includes a balance between reliable supply of electricity with a reasonable cost to consumers.	The AESO acknowledges AFREA’s comment.
		<u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no further comments at this time.	
		<u>TransAlta Corporation (“TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14, 2018 submission in the AESO Replies to TransAlta’s Appendix 1 matrix.