

# Stakeholder Comments and AESO Replies Matrix



## Proposed New Section 201.15 of the ISO Rules, *Delisting*

<b>Date of Request for Comment:</b>	October 26, 2018		
<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<b>Request to Temporarily Delist for Economic Reasons</b> <b>Subsection 2(1)</b>	
<p><u>ATCO Electricity Generation (“ATCO”)</u></p> <p>The generic timelines are authoritative in nature and should not be detailed in the <i>Capacity Market Auction Guidelines</i>. The <i>Guidelines</i> should detail the specific calendar dates applicable to each auction; however, the general timelines must be included and approved as part of the ISO Rules so that participants can have certainty with respect to process timing.</p> <p>The “manner the ISO specifies” should be detailed in the ISO Rule.</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><u>Capital Power Corporation (“Capital Power”)</u></p> <p><b>Subsection 2(1) should specify the timelines in which a capacity market participant may submit a request to temporarily delist an asset for economic reasons.</b></p> <p>Capital Power remains concerned that the language “in the manner the ISO specifies” is too broad and does not provide a clear expectation or direction to market participants. The timelines to submit a delisting request are likely to (and should) remain static across all base auctions and thus should be specified in the rule.</p> <p><b>It is unclear to Capital Power why subsection 2(a)(i) refers to 150 days and other subsections, such as 5(1), refer to 155 days.</b></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>For temporary delists for economic reasons, the use of 155 days ensures that the minimum outage in the energy market (210 days) and the maximum participation in the energy market (155 days) equal one obligation period (365 days). For temporary delists for physical reasons, the minimum outage (150 days)</p>

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<p>Please explain the reason for the difference.</p>	<p>is representative of 5 months.</p>
<p><u>The Cogeneration Working Group (“CWG”)</u></p> <p>Economic delisting should be allowed to occur in any auction given that capacity will be subject to uncertainty around whether an asset will ultimately be allowed to delist otherwise. It is not reasonable to force a generator that has not cleared in the base auction (at its economic delist price) to maintain the obligation to potentially be available if its delist bid clears in later auctions.</p>	<p>The AESO does not agree with the changes proposed by CWG. If an asset has not cleared in a base auction, it still has a must offer requirement in the following rebalancing auctions. A decision to delist for economic reasons is based on the inability to make adequate revenue above the costs that would be incurred to continue to operate the asset. The asset may be able to make adequate revenue by clearing in rebalancing auctions and it is not until after the final rebalancing auction that it is known whether the asset cannot clear at a price sufficient to cover costs.</p>
<p><u>TransAlta Corporation (TransAlta”)</u></p> <p><b>TransAlta recommends that temporary economic delists be permitted to occur in the base and rebalancing auctions.</b></p> <p>As we stated in our CMD 4 comment matrix submitted on July 20, 2018:</p> <p>Temporary economic delisting should be allowed to occur as early as possible so that new capacity resources have an opportunity to respond and enter the market to fill any associated capacity need. An asset that offers into the base auction at its avoidable costs and cannot clear the market should be allowed to delist immediately. The base auction result itself demonstrates that the capacity resource is not needed to meet resource adequacy and that the cost savings to the resource owner of delisting the asset were higher than potential revenues associated with the clearing price. Additionally, there can be no abuse of market power from delisting in the base auction if the asset is determined to be uneconomic based on its costs and market clearing price. Therefore, it is unclear what rationale or justification the AESO can use to infringe on a resource owner’s right to make decisions about its investment and operations and force an owner to participate unnecessarily in two rebalancing auctions. Furthermore, we note that temporary delisting in the base auction is permitted in the PJM and ISO-NE capacity markets.</p> <p><b>2(1) A capacity market participant</b> may, within the timelines specified in the <i>Capacity Market Auction Guidelines</i> for the <b>last base or rebalancing auctions</b> and in the manner the <b>ISO</b> specifies, submit to the ISO a request to temporarily delist an asset or portion of such asset for the <b>obligation period</b> for economic reasons.</p>	<p>Please see the AESO’s reply to the CWG’s comment on subsection 2(1).</p> <p>The AESO does not agree with the assumption that the rebalancing auctions always clear at a lower price than the base auction. Further, ISO-NE and PJM are much larger markets where the impact of delisting is much smaller.</p>

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<b>Subsection 2(2)</b>	
<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>Avoidable costs should be defined based on the plant operating at full output, not part load. The energy and ancillary services offset should also be calculated based on characteristics at full output.</p> <p>2(2)(b) the <b>avoidable costs</b> associated with the <b>delist outage</b> referred to in subsection 2(2)(a);</p> <p>The magnitude of the avoidable costs should be just for the amount of capacity being delisted and no more.</p> <p>2(2)(c) any information necessary for the <b>ISO</b> to calculate the energy and ancillary services offset in accordance with subsection 3(3);</p>	<p>Please see the AESO’s reply to the comments on the definition of “avoidable costs” in the AESO Replies to Proposed New ISO Rules Terms and Definitions for the Implementation of the Capacity Market.</p> <p>The AESO does not agree. The avoidable costs are the costs avoided because of the delist, regardless of the size of the delist.</p>
<p><u>ATCO Electricity Generation (“ATCO”)</u></p> <p>ATCO is unclear on when the ISO would specify what other information it requires to be submitted in a delisting request. Since it appears that this information will be required as part of the delisting request, the ISO should state in the rule all information that will be required upfront. If, in the future, additional information is required by default, the ISO should revise the rule. Further information can be requested under section 3(1) if required after a request is submitted.</p>	<p>The purpose of subsection 2(2)(e) is to allow for the submission of administrative and clarification information in the original request. If the ability to get clarifying information is restricted by the ISO rule, the AESO would make the decision whether to approve the request based on the information submitted, leading to higher risk of rejection. The AESO agrees with ATCO that if additional information is required for all delist requests the AESO should adjust the rule accordingly. Further, subsection 3(1) is restricted to avoidable cost information only.</p> <p>It is anticipated that the process for applying for a delist request will be a standard form posted on the AESO website.</p>
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p><b>Subsection 3 must include a requirement for the ISO to provide a capacity market participant that has had avoidable costs excluded pursuant to subsection 3(2) a breakdown of all excluded costs including the basis for exclusion.</b></p> <p>Providing capacity market participants with a list of excluded avoidable costs and the reasons for exclusion will ensure transparency and promote better understanding.</p>	<p>The AESO agrees with Capital Power’s suggestion and will revise Proposed Section 201.15 accordingly.</p>

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<p><u>TransAlta Corporation (TransAlta”)</u></p> <p>The AESO should make two (2) important changes to this subsection to provide necessary flexibility in resource operations and ensure more accurate analysis of economic need for delisting:</p> <ol style="list-style-type: none"> <li>1. A temporary economic delist should be permitted to participate in the energy and ancillary services markets for up to 275 days (and by extension, a temporary economic delist should be permitted if the outage will total greater than 90 days); and</li> <li>2. The Energy and Ancillary Services Offset should be based on the owner’s views of forecasted energy and ancillary services revenue, not on a misguided forward pricing-based calculation performed by the AESO.</li> </ol> <p>We have proposed our recommended changes to the rule language in <b>yellow highlighted</b> text.</p> <p>(2) A <b>capacity market participant</b> must, in the request referred to in subsection 2(1), submit:</p> <ol style="list-style-type: none"> <li>(a) an attestation from a corporate officer of the <b>pool participant</b>: <ol style="list-style-type: none"> <li>(i) that the <b>pool participant</b> confirms that if the request is approved by the <b>ISO</b>, the <b>delist outage</b> in the energy market in the <b>obligation period</b> will total greater than <b>240 90 days</b> such that participation in the energy market is for a <b>continuous</b> period of <b>155-275 days</b> or less;</li> <li>(ii) the MW volume of the asset that will be subject to a <b>delist outage</b> in the energy market; and</li> <li>(iii) the start date and the end date of the <b>delist outage</b> referred to in 2(2)(b)(i);</li> </ol> </li> <li>(b) the <b>avoidable costs</b> associated with the <b>delist outage</b> referred to in subsection 2(2)(a);</li> <li>(c) <b>any information necessary for the ISO to calculate the energy and ancillary services offset in accordance with subsection 3(3) a forecast of energy and ancillary services offsets including the forecasted energy and ancillary services prices, revenues, costs, and expenses;</b></li> <li>(d) an attestation from a corporate officer of the <b>legal owner</b> of the asset that the <b>avoidable costs</b> and information referred to in subsections 2(2)(b) and 2(2)(c), respectively, are accurate; and</li> </ol>	<ol style="list-style-type: none"> <li>1. The AESO does not agree with TransAlta’s proposal. The AESO does not understand TransAlta’s rationale for shortening the outage requirement for economic delists to 90 days. Allowing an asset that has been temporarily delisted for economic reasons to participate in the energy and ancillary services markets for a portion of the obligation period provides flexibility to capture energy market opportunities. However, a temporary delist request for economic reasons suggests an asset is intending to be removed from the market because it is temporarily uneconomic to continue to participate. Participating in the energy and ancillary services market for a prolonged period would not be consistent with this intent. Therefore, a limit of 5 months on the duration of participation in the energy and ancillary services markets balances flexibility to capture energy market opportunities and the intent of temporarily delisting.</li> </ol> <p>One of the primary purposes of delisting for economic reasons is to allow a market participant with no capacity obligation to take an economic-based (not physical) outage in the energy market and not have those outages impact future uniform capacity value determinations. Therefore, it is necessary to tie temporary delisting to energy and ancillary services market participation. If a market participant wishes to continue to operate in the energy and ancillary services markets they can choose not to delist and offer in the energy market accordingly. Also see Section 203.5, <i>Energy Market Mitigation</i> for how the asset may be mitigated in the energy market. An asset will not be mitigated below its costs.</p> <p>In response to TransAlta stating that the proposed design would require the resource owner to specify the 5 consecutive months that the asset will participate in the energy and ancillary services markets, the AESO agrees that the pool participant would be required to attest to the delist outage in the energy market that must be 5 months or less.</p> <p>The AESO is concerned that a reduction to the outage requirement may introduce loopholes in the market rules, leading to an ability to game the intent of economic delisting for the purposes of maximizing uniform capacity value calculations. The AESO approach minimizes the risk that delisting for economic reasons could be used as a way to hide maintenance and unplanned outages under the guise of economics in order to avoid the negative impact those outages have on future uniform capacity value calculations.</p> <ol style="list-style-type: none"> <li>2. Please see the AESO’s replies to subsections 2 and 3(1) of the AESO Replies to Proposed Section</li> </ol>

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<p>(e) any other information the <b>ISO</b> specifies as it relates to the request to temporarily delist an asset for economic reasons.</p> <p>TransAlta recommends that temporary economic delists should be permitted to participate in the energy market for up to approximately 9 months (275 days) rather than 155 days as currently proposed in this subsection, and, by extension, the delist outage should total greater than 90 days (3 months) rather than 210 days (7 months) as currently proposed in this subsection. TransAlta raised concerns with the permitted time period for participation in the energy market in our CMD 4 comment matrix submitted on July 20, 2018:</p> <p>The AESO’s rationale for selecting 5 consecutive months was that allowing temporary delist assets to participate for a prolonged period of time is not consistent with the intent of temporary delisting and that the duration was greater the average duration of a planned outage in Alberta (2-3 months) and short enough to enable seasonal assets to participate. However, we respectfully disagree with this rationale and believe that the selection of 5 consecutive month is confusing and raises more questions than it answers.</p> <p>First, as stated above, we disagree with tying temporary delisting to energy and ancillary services market participation. However, even if we agreed that a temporary delist asset should not participate in the energy and ancillary services markets for a prolonged period of time, we disagree with the selection of 5 consecutive months. 5 months cannot be truly characterized as a prolonged period of time, as it is less than half a year. A timeframe that may be more representative of a prolonged period of time would be substantially most of a year, such as 75% of the year (or 9 months). Rather, 5 months represents a seasonal asset which has no bearing on temporary economic delist assets.</p> <p>Second, the proposed design would require the resource owner to specify the 5 consecutive months that the asset will participate in the energy and ancillary services markets. In arriving at this requirement, the <b>AESO appears to have ignored the very reason for a temporary economic delist - the owner of a resource seeking to temporarily delist is attempting to mitigate its risk of economic losses on resource that currently faces economic challenges, but may be economic in the future if market conditions change.</b> The owner has no certainty about when market conditions may change in the future and would not be in a reasonable position ahead of the delivery year to specify the exact months in which they anticipate that the asset may be economic to run. Moreover, the owner would have no certainty that market conditions would change in consecutive months – indeed, the need for additional resources (and the associated price signal) might occur in non-consecutive months such as spring and</p>	<p>206.11, <i>Energy and Ancillary Services Offset for Assets</i> matrix.</p>

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<p>fall. The rules should not require that the energy and ancillary service market participation months be consecutive, as this requirement is arbitrary and unjustified. Rather, there should be no limitation on the owner from changing the months in which they will participate in the energy and ancillary services markets in the delivery year.</p> <p>TransAlta also disagrees with the use of the forward price methodology for calculating Energy and Ancillary Services Offsets (EAS Offsets), particularly where it is applied to a decision related to an owner's assets. TransAlta stated the following related to asset specific offer caps in our CMD 4 comment matrix submitted on July 20, 2018, which applies equally to our view on the use of the forward price methodology to calculate EAS Offsets for temporary economic delisting requests:</p> <p>The Energy and Ancillary Services Offset for asset specific offer caps should not be determined based on forward prices. As discussed in section 4 above, we disagree with using forward prices to determine the EAS Offset used in the Net CONE calculation and strongly disagree with using forward prices to determine asset-specific offer caps. In addition to our concerns raised above, we have little confidence that use of the forward price could be indicative of the expected captured energy price for a peaking asset and strongly oppose this crude method of being used to determine a capacity resource's offer cap when bidding in the capacity auction.</p> <p>While forward prices may be acceptable if an asset were able to sell all of its production into the forward market, Alberta's forward market is too illiquid to actually enable an owner to sell its full volume in this manner. Moreover, given the illiquidity of the forward market, an attempt to sell a large volume in the forward market could have significant impacts on price levels. Additionally, the forward products (base and peak) do not reflect the annual, seasonal, weekly, daily, and intrahourly production that a capacity resource has and would therefore be inadequate to use without a shape to estimate energy revenues with any accuracy.</p> <p>We also note that historically, short-term forwards traded at a premium to realized real-time energy prices, which suggests that an EAS Offset based on forwards would overestimate the revenues of a capacity resource. This is deeply concerning given that such a bias would result in a lower asset-specific offer cap and force the owner to offer at a level that is uneconomic even on an avoidable cost basis.</p> <p>Therefore, we strongly recommend that the EAS Offset for determining the asset specific offer cap should be based upon the owner's views of forecasted energy and ancillary services revenue potential for their asset rather than standardized forward prices.</p>	

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<p><b>ISO Review and Approval of Request to Temporarily Delist for Economic Reasons</b></p> <p><b>Subsection 3(3)</b></p>	
<p><u>TransAlta Corporation (TransAlta”)</u></p> <p><b>Calculating the EAS Offset based on forward market prices is fundamentally misguided and will lead to inaccurate estimates of economic need for delisting – rather, the AESO should review the owner’s submitted forecast of the EAS Offset for reasonableness</b>, as we have indicated in our recommended changes to the rule language in <b>yellow highlighted</b> text.</p> <p>Please see our comments on Section 206.11: Energy and Ancillary Services Offset for Assets for more detail on our recommendation to have owners submit forecasts of the EAS Offset and for the AESO to review these submitted forecasts for reasonableness.</p> <p><b>4(3) The ISO must calculate the energy and ancillary services offset, as applicable, for the asset during the obligation period using the methodology set out in Section 206.11 of ISO rules, <i>Energy and Ancillary Services Offset for Assets</i> review the capacity market participant’s forecast of energy and ancillary services offset.</b></p>	<p>Please see the AESO’s replies to subsections 2 and 3(1) of the AESO Replies to Proposed Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> matrix.</p>
<p><b>Subsection 3(4)</b></p>	
<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>It is not clear from the rules what is to be done with the price provided by this clause. What is the market participant or the AESO required to do with this price after it has been provided to the market participant?</p>	<p>The obligation to offer at the price provided in accordance with subsection 3(4) of Section 201.15, <i>Delisting</i> can be found in subsection 3(4) of Section 206.4, <i>Offers and Bids for Capacity</i>. If the capacity submitted at the prices does not clear, the capacity is delisted from the capacity market and a corresponding delist outage must be submitted in the energy market (see subsection 6 of Proposed</p>

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<p><b>3(4)</b> The ISO must, if it approves a request pursuant to subsection 2(1), provide the <b>capacity market participant</b>, within the timelines specified in the <i>Capacity Market Auction Guidelines</i> for the last <b>rebalancing auction</b>, with a price based on the remaining <b>avoidable costs</b> submitted in accordance with subsection 2(2)(b) that have not been excluded in accordance with subsection 3(2), net of the energy and ancillary services offset calculated in accordance with Section 206.11 of <b>ISO rules</b>, <i>Energy and Ancillary Services Offset for Assets</i>.</p>	<p>Section 201.15, <i>Delisting</i>).</p>
<p><u>TransAlta Corporation (TransAlta)</u></p> <p>The AESO should revise the language to reflect permission of temporary delists for economic reasons in the base and rebalancing auctions, as indicated in our recommended changes to the <b>yellow highlighted</b> text.</p> <p>Please refer to our comments to subsection 2(1) above with respect to the change from “last rebalancing auction” to “base or rebalancing auctions”.</p> <p><b>4(4)</b> The ISO must, if it approves a request pursuant to subsection 2(1), provide the <b>capacity market participant</b>, within the timelines specified in the <i>Capacity Market Auction Guidelines</i> for the <b>last base or rebalancing auctions</b>, with a price based on the remaining <b>avoidable costs</b> submitted in accordance with subsection 2(2)(b) that have not been excluded in accordance with subsection 3(2), net of the energy and ancillary services offset calculated in accordance with Section 206.11 of <b>ISO rules</b>, <i>Energy and Ancillary Services Offset for Assets</i>.</p>	<p>See the AESO’s reply to TransAlta’s comments on subsection 2(1).</p>
<p><b>Request to Temporarily Delist due to Physical Limitation, Operational Limitation or Delay in Commercial Operation</b></p> <p><b>Subsection 5(1)</b></p>	
<p><u>TransAlta Corporation (TransAlta)</u></p> <p><b>The AESO should set the derate or outage period for a temporary physical delist at 90 days rather than 150 days to reflect the full range of extended outages</b>, as indicated in our recommended changes to the rule language in <b>yellow highlighted</b> text.</p> <p>The AESO’s rationale for setting the minimum allowable derate or outage duration for a temporarily delist due to physical or operational limitations was to ensure that the duration was greater than the</p>	<p>The AESO does not agree with change proposed by TransAlta. The 5 month consecutive period was chosen because this duration is greater than the average duration of a planned maintenance outage in Alberta, which is 2 to 3 months per year. Additionally, 5 months is short enough to enable the participation of seasonal assets, and long enough to ensure that seasonal assets provide adequate value for reliability. The 5 month consecutive period preserves incentives to plan regular maintenance in periods of lower system risk while recognizing that longer than typical outages reflect a unit that is</p>

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<p>average duration of a planned outage in Alberta. However, we noted that the average duration of a planned outages is between 2 and 3 months. We believe that setting the outage at 150 days (5 months) is too long and recommend that it be shortened to 90 days (3 months). Our reason was stated in our CMD 4 comment matrix submitted on July 20, 2018:</p> <p>any asset should be able to access temporary physical delist so long as the asset is expected to not physically operate for an extend period of time during the delivery year. A coal-to-gas conversion is expected to be less than 5 months in duration, but under the proposed design, these conversions would be unable to utilize temporary delisting. Rather, the coal-to-gas conversions should be able to temporarily physically delist to complete conversion work. This means that temporary physical delisting should apply to any outage that is longer than a typical planned maintenance outage and should be set at 3 months instead of 5 months.</p> <p><b>5(1) A capacity market participant</b> may, within the timelines specified in the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> a request to temporarily delist an asset or portion of such asset from the capacity market for the <b>obligation period</b> if the asset will be subject to a derate or an outage for a period greater than or equal to <b>150 90</b> continuous <b>days</b> in the <b>obligation period</b> due to a physical limitation, operational limitation or a delay in <b>commercial operation</b> of the asset.</p>	<p>unavailable and not expected to provide sufficient reliability.</p> <p>The AESO has concerns that reducing the delist outage could incent market participants to delist for the purpose of driving up the price of capacity for the remainder of their portfolio, while still fully participating in the energy market for all but 3 months of the obligation period. This would increase the cost to consumers by requiring delisted capacity that is actually capable of providing capacity for 9 months of the year to be replaced by more expensive capacity.</p>
<p><b>Subsection 5(3)</b></p>	
<p><u>TransAlta Corporation (TransAlta)</u></p> <p><b>The AESO should set the derate or outage period for a temporary physical delist at 90 days rather than 150 days</b>, as indicated in our recommended changes to the rule language in <b>yellow highlighted</b> text.</p> <p>Please refer to our comments in subsection 5(1) above with respect to the change from “150” to “90” days.</p> <p><b>5(3) A capacity market participant</b> must, in the request referred to in subsection 5(1), submit:</p> <p>(a) confirmation from a corporate officer of the <b>pool participant</b>:</p> <p>(i) that the <b>pool participant</b> confirms that if the request is approved by the <b>ISO</b>, the <b>delist</b></p>	<p>See the AESO’s reply to TransAlta’s comment on subsection 5(1).</p>

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<p><b>outage</b> in the energy market will be for a continuous period in the <b>obligation period</b> which must be greater than <b>450 90 days</b>;</p> <p>(ii) the MW volume of the asset that will be subject to a <b>delist outage</b> in the energy market;</p> <p>(iii) description of the physical or operational limitation of the asset; and</p> <p>(iv) the start date and the end date of the <b>delist outage</b> referred to in 5(2)(c)(i); and</p> <p>(b) any other information the <b>ISO</b> specifies as it relates to the request to temporarily delist the asset.</p>	
<p><b>ISO Approval of Request to Temporarily Delist due to a Physical or Operational Limitation</b>  <b>Subsection 6(1)</b></p>	
<p><u>TransAlta Corporation (TransAlta)</u></p> <p><b>The AESO should set the derate or outage period for a temporary physical delist at 90 days rather than 150 days</b>, as indicated in our recommended changes to the rule language in <b>yellow highlighted</b> text.</p> <p>Please refer to our comments in subsection 5(1) above with respect to the change from “150” to “90” days</p> <p><b>6(1)</b> The <b>ISO</b> must approve a request to temporarily delist an asset due to a physical or operational limitation if:</p> <p>(a) the <b>ISO</b> is satisfied that the request referred to in subsection 5(1) is complete; and</p> <p>(b) the <b>delist outage</b> referred in subsection 5(2)(a) is greater than <b>450 90 continuous days</b> in the <b>obligation period</b>.</p>	<p>See the AESO’s reply to TransAlta’s comment on subsection 5(1).</p>
<p><b>Delist Outage</b>  <b>Subsection 7(1)</b></p>	
<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>The references to all the subsections here appear to be incorrect. Please check.</p>	<p>The AESO will correct the references in the next version of Section 201.15. The obligation to offer at the price is provided in accordance with subsection 3(4) of Section 201.15, <i>Delisting</i> can be found in</p>

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<p><b>7(1) A pool participant must submit a delist outage that corresponds to the outage declared in accordance with subsection 2(2)(a) if the offer referred to in subsection 4 does not clear in the last rebalancing auction.</b></p>	<p>subsection 3(4) of Section 206.4, <i>Offers and Bids for Capacity</i>. If that offer does not clear, subsection 7(1) requires to the pool participant to submit a delist outage.</p>
<p><u>TransAlta Corporation (TransAlta)</u></p> <p>The AESO should revise the language to reflect permission of temporary delists for economic reasons in the base and rebalancing auctions, as indicated in our recommended changes to the yellow highlighted text.</p> <p>Please refer to our comments to subsection 2(1) above with respect to the change from “last rebalancing auction” to “base or rebalancing auctions”.</p> <p><b>7(1) A pool participant must submit a delist outage that corresponds to the outage declared in accordance with subsection 2(2)(a) if the offer referred to in subsection 4 does not clear in the last base or rebalancing auctions.</b></p>	<p>See the AESO’s reply to TransAlta’s comment on subsection 2(1).</p>
<p><b>Subsection 7(2)</b></p>	
<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>The references to all the subsections here appear to be incorrect. Please check.</p> <p><b>(2) A pool participant must not submit a delist outage that corresponds to the outage declared in accordance with subsection 2(2)(a) if the offer referred to in subsection 4 clears in the last rebalancing auction.</b></p>	<p>The AESO will correct the references in the next version of Section 201.15. The obligation to offer at the price is provided in accordance with subsection 3(4) of Section 201.15, <i>Delisting</i> can be found in subsection 3(4) of Section 206.4, <i>Offers and Bids for Capacity</i>. If that offer clears in the last rebalancing auction, subsection 7(2) prohibits the pool participant from submitting a delist outage.</p>
<p><u>The Cogeneration Working Group</u></p> <p>It is not clear what the AESO is referring to in Subsection 4. Subsection 4 does not currently exist. This likely should be referring to a sub-section within Subsection 3.</p> <p><b>(2) A pool participant must not submit a delist outage that corresponds to the outage declared in accordance with subsection 2(2)(a) if the offer referred to in subsection 4 clears in the last rebalancing auction.</b></p>	<p>Please see the AESO’s reply to AFREA’s comment on subsection 7(2).</p>

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<p><b>Subsection 7(3)</b>  <u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u>            The references to all the subsections here appear to be incorrect. Please check.</p> <p><b>(3) A pool participant</b> must, if the <b>ISO</b> approves a request pursuant to subsection 6, submit a <b>delist outage</b> that corresponds to the outage declared in accordance with subsection 5(2)(a).</p>	<p>The AESO will correct the references in the next version of Section 201.15. If the AESO approves a request to temporarily delist an asset due to physical or operational reasons, the pool participant must submit a delist outage in the energy market.</p>
<p><b>Request to Change Delist Outage</b>  <b>Subsection 8</b></p>	
<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u>            Nowhere in the rules does it specify what a delisted asset needs to do or not do. For instance, does it need to offer the delisted volume into future auctions or not? Nor is it clear what provisions of the rules still apply to it and to the delist volume and non-delist volume. For instance, is the delist volume included in the volumes defined for section 206.7 2(2) or 207.1 etc.</p>	<p>For a temporary delist request for economic reasons, please see the definition of “delist outage”, which reflects MW volume that is declared in the delist request in accordance with subsection 2. The obligation to offer at a price is provided in accordance with subsection 3(4) of Section 201.15, <i>Delisting</i> can be found in subsection 3(4) of Section 206.4, <i>Offers and Bids for Capacity</i>. If that offer does not clear in the last rebalancing auction, subsection 7(1) requires the pool participant to submit a delist outage in the energy market.</p> <p>For a temporary delist request due to a physical or operational limitation, please see the obligations regarding outage submissions in Amended Section 306.5, <i>Generation Outage Reporting and Coordination</i> and Proposed Section 306.8, <i>Load Asset with a Capacity Commitment Outage Reporting and Coordination</i>.</p> <p>Temporarily delisting is for a particular obligation period; therefore, separate requests to temporarily delist need to be made for each obligation period.</p> <p>Section 206.7, <i>Capacity Market Mitigation</i>, is only applicable to a base auction. Volumes that have been delisted for physical reasons are excluded from mitigation.</p> <p>Regarding AFREA’s reference to Section 207.1, <i>Gross Minimum Procurement Volume</i>, please see the AESO’s reply to Capital Power’s comment in the “General Comments” section below.</p>

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<p><b>Restriction on Ability to Temporarily Delist</b> <b>Subsection 9</b></p>	
<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>There is a concern that people may switch back and forth between different types of delist every two years. This should not be permitted by being clearly prohibited in the rules.</p>	<p>Each of the temporary delist types have stringent conditions associated with them. For example, a capacity market participant cannot choose to delist for physical reasons without a physical issue associated with the asset.</p> <p>There may be instances where a capacity participant may need to take a temporary delist for physical reasons after its temporary delist for economic reasons. The prohibition in subsection 9 is to prevent the same type of delist from being taken more than 2 consecutive obligation periods.</p>
<p><u>ATCO Electricity Generation (“ATCO”)</u></p> <p>ATCO submits that imposing this arbitrary threshold limiting delisting remains unjustified and inefficient. This limitation requires that a unit be bid into the capacity market for future years before a delist outage for the previous two delivery periods has even started.</p> <p>ATCO also submits that the ISO should allow for exemptions to the two years economic delist restriction. There may be situations where generation that will be cost-effective and viable in the future is not able to recover costs for longer than a two-year period. This could include scenarios where there is significant unexpected load loss or destruction in the province.</p>	<p>The AESO does not agree with ATCO’s comment. The requirement to offer into a capacity market auction occurs whether or not there is a limitation on the number of consecutive years. For example, if an asset chooses to temporary economic delist in 2026 they would have already participated in auctions for 2027 and 2028. The restriction of two consecutive obligation periods is applied to temporary delisting to facilitate the optimal use of the existing transmission system, as well as ensure that the capacity market price signal is an effective investment signal.</p> <p>The AESO must find a balance between allowing temporary delists while preventing physical withholding of capacity. Temporarily delisting for economic reasons is to provide flexibility for participants to respond to soft market conditions resulting from business cycles. In the event of significant unexpected load loss or destruction in the province, it may be the case that more, not less, capacity is needed due to an inability serve load through constraint or islanding. Temporary delists for economic reasons will not be the issue. Alternatively, in the case of permanent load destruction, permanent asset retirement may be the appropriate supply response.</p>
<p><u>TransAlta Corporation (TransAlta”)</u></p> <p>In order to provide necessary flexibility in resource operations, the AESO should remove the arbitrary limit to delisting for more than two consecutive obligation periods as well as retaining Section 306.7:</p>	<p>The AESO does not agree with TransAlta’s comment. Please see the AESO’s reply to ATCO’s comment on subsection 9.</p>

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<p>Mothball Outage Reporting in the capacity market, as indicated in our recommended changes to the rule in yellow highlighted text.</p> <p>TransAlta sees no justifiable reason for limiting temporary economic delisting to two consecutive periods. The restriction is arbitrary and seeks to reduce the flexibility for an owner to make business decisions that mitigate their potential economic loss related to their private investment. At a minimum, should the AESO desire to limit the duration of a temporary delist it should be set at four consecutive obligation periods.</p> <p>A private investor has no control over market conditions, and there is no guarantee that the conditions that drove an investor to make the difficult decision to temporarily delist a resource will improve within two consecutive obligation periods. The onerous requirement proposed in this subsection could force the owner to needlessly operate at an economic loss or permanently (and prematurely) retire their asset for no reason other than a poorly considered and arbitrary rule requirement. Due to the unnecessary risk inherent in this requirement, it would impede necessary private investment and potentially threaten system reliability if investors are not confident that market rules will support investment in needed capacity resources.</p> <p>For these same reasons, we also believe that Section 306.7: Mothball Outage Reporting must continue to be available under the capacity market. However, we would suggest that subsection 5(2) be reduced to 12 months in recognition of the delisting process deals with foreseeable temporary economic delists.</p> <p>Section 306.7: Mothball Outage Reporting was first put in place on an expedited basis in June 2016 as energy market conditions deteriorated such that owners of certain coal generating facilities were faced with higher emissions costs that rendered their assets uneconomic. The very fact that market circumstances can change unexpectedly and with little forewarning is why owners of assets need the flexibility to respond to the market and protect their private investors from economic losses. The uncertainties that drove the need for Section 306.7 will continue to exist in the capacity market and for that reason it must not be revoked.</p> <p><b>9 A capacity market participant must not temporarily delist an asset:</b></p> <ul style="list-style-type: none"> <li>(a) for economic reasons for more than <b>24</b> consecutive <b>obligation periods</b>; or</li> <li>(b) for physical limitation, operational limitation or delay in <b>commercial operation</b> for more than <b>24</b> consecutive <b>obligation periods</b>.</li> </ul>	<p>Existing Section 306.7, <i>Mothball Outage Reporting</i> is incompatible with a capacity market. Temporarily delisting for economic reasons and delist outages in the energy market is a compatible replacement similarly implemented in other capacity markets. The fact that market circumstances may change unexpectedly and with little forewarning should not permit a market participant with a forward obligation in the capacity market to walk away from its obligation through mothballing. If the asset does not have a capacity commitment, other assets were more economic to meet Alberta's capacity requirements and the market participant should have considered delisting such asset if it could not earn sufficient revenue in the energy market alone. The introduction of a capacity market requires all market participants make decisions in anticipation of the future.</p> <p>Further, the AESO considers that Section 201.15 strikes the right balance for predictability or stability in the forward market as information of the forward market informs capacity market offers. Leaving Section 306.7, <i>Mothball Outage Reporting</i> in place in would lead to more unpredictability in the forward energy market.</p>

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<p><b>Permanent Delist Notification</b></p> <p><b>Subsection 10(1)</b></p>	
<p><u>The Cogeneration Working Group (“CWG”)</u></p> <p>Permanent delisting should be allowed in any of the auctions and not restrict the ability to permanently delist in the final rebalancing auction.</p>	<p>The AESO does not agree with CWG’s comment. The decision to permanently delist is a long-term one and is likely not dependent on the price outcome of a single obligation period. Permanent delisting notifications are not permitted during the last rebalancing auction in order to mitigate the potential risk of the market not having sufficient time to react to permanent change in supply conditions.</p>
<p><b>Subsection 10(2)</b></p>	
<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>The attestations in subsection (2) should also indicate that this removal is permanent. It is also not clear whether one is to complete both attestations in (i) and (ii) or just one of (i) or (ii).</p>	<p>The AESO does not agree that this subsection requires clarification. Section 10(2) only pertains to permanent delist notifications, which provide notification of the removal from the capacity and energy markets. The attestations referred to in subsections 9(2)(b)(i) and 9(2)(b)(ii) are both required.</p>
<p><u>ATCO Electricity Generation (“ATCO”)</u></p> <p>ATCO does not understand the arbitrary requirement to permanently delist “on or before the first day of June in the obligation period.” The AESO should provide a rationale for the inclusion of this requirement. Alternatively, the AESO could remove the parts of the rule as suggested by the blackline edits. The end date on or before the first of June appears to be an unwarranted restriction on the commercial operation of assets imposed by the AESO.</p> <p>10(2)(b) in the case of a generating unit, aggregated generating facility or energy storage facility:</p> <p>(i) an attestation from a corporate officer of the pool participant:</p> <p><del>(A) that the pool participant confirms that the MW volume referred to in subsection 10(2)(a) will be removed from the energy market on or before the first day of June in the obligation</del></p>	<p>The AESO does not agree with ATCO’s comment. The retirement date of the asset in the energy market does not need to occur at the start of the obligation period. The asset has a must offer requirement in the energy or ancillary services markets until the physical retirement of the asset. If the retirement date in the energy market is greater than 7 months (i.e., June 1) into the obligation period, the asset would receive a uniform capacity value and be required to offer into the capacity market. Allowing an asset to permanently delist, thus avoiding participation in the capacity market for an obligation period, while still operating for a significant portion of the obligation period could be used as a mechanism for physically withholding an asset from the capacity market. The requirement to participate in the energy market for no more than 7 months in an obligation period is equivalent to the requirement for a temporary delist for physical reasons.</p>

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<p><del>period; and</del></p> <p>(B) the date that the MW volume from the asset will be removed from the energy market.</p> <p>(ii) an attestation from a corporate officer of the legal owner:</p> <p><del>(A) that the legal owner confirms that the MW volume referred to in subsection 10(2)(a) will be removed from the energy market on or before the first day of June in the obligation period; and</del></p> <p>the date that the MW volume from the asset will be removed from the energy market.</p>	
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p><b>Subsection 10(2) – the rationale for requiring that capacity market participants wishing to permanently delist an asset attest that the MW volume will be removed from the energy market on or before the first day of June in the obligation period is unclear.</b></p> <p>Currently, subsection 10(2) requires confirmation that the MW volume associated with a resource planning to permanently delist will be removed from the energy market on or before the first day of June in the obligation period. In the related Information Document (“ID”), the AESO goes further at section 6 to note that “If the date of final operation is later than the 1st day of June in the obligation period the asset is not permitted to delist from the capacity market in that obligation period and is required to delist in the subsequent obligation period.”</p> <p>Capital Power is unaware of any reference of this design detail within CMD Final. However, given the 5-month difference between June and November noted in the example provided in the ID, Capital Power presumes that the AESO is expecting market participants with assets that fall under this scenario (i.e. final operating date post-June 1) to first temporarily delist until the end of the obligation period before qualifying for permanent delist status in the subsequent obligation period. If this is the case, the language at subsection 10(2) of the proposed new rule should be revised to clearly articulate this process. Similarly, this should be made explicit in the example provided in the ID.</p>	<p>Please refer to the AESO’s reply to ATCO’s comment on subsection 10(2).</p> <p>Please refer to subsection 2.3.15 in the CMD Final Rationale.</p>

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<b>Subsection 10(3)</b>	
<p><u>ATCO Electricity Generation (“ATCO”)</u></p> <p>ATCO is seeking clarity on the process surrounding agreement between the party with an asset that has submitted a permanent delist bid and the AESO. ATCO agrees that there should be optionality and discretion in the ability to revoke a notification to permanently delist if market conditions substantially change. The AESO should publish an information document detailing the circumstances that would warrant a revocation of a notification to permanently delist.</p> <p>10(3) A capacity market participant may not revoke a notification to permanently delist after it has been submitted to the ISO in accordance with subsections 10(1) and 10(2), <b>unless otherwise agreed to by the ISO.</b></p>	<p>Subsection 10(3) is intended to allow for situations where a reliability concern could be mitigated by an asset that has submitted a permanent delist notification in the short term. The AESO considers that this “out of market” solution to be a last resort. The AESO will consider clarifying this in an associated Information Document.</p>
<b>General Comments</b>	
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p><b>Capital Power remains concerned that allowing temporarily delisted assets the ability to return to the energy market within a delivery period for up to 7 months will impact fundamentals in the energy market. This will result in an inaccurate net CONE calculation.</b></p> <p>Capital Power requests information from the AESO on how it plans to account for the potential return of delist outages in the calculation of net CONE as well as its determination of the capacity procurement volume for the base auction.</p>	<p>The AESO is of the view that the impact of the potential return of assets on delist outages is implicitly accounted for through the use of forward market prices in the AESO’s proposed EAS offset calculation methodology. Forward prices represent the market’s collective view of the likelihood and impact of numerous potential events, all of which could have an impact on the supply demand balance or other price drivers during the delivery period. The potential for the return of delisted assets and the conditions under which such assets would be enabled to return, as well as a myriad of other potential events, is expected to be considered by market participants in their trading activities which form the forward curve used in the AESO’s methodology to develop net-CONE. As such, no specific additional consideration of this possibility is required. In addition, the AESO would note that the return of delisted assets is driven by conditions which would lead to outage cancellation and as such should be a rare event.</p> <p>Likewise, the potential return of delist outages will not be specifically considered in the determination of capacity procurement volume. Capacity procurement volume is determined based on the aggregate amount of supply required to satisfy the resource adequacy requirement.</p>

Stakeholder Comments and/or Proposed Alternative Rule Wording	AESO Replies
<p><b>High-level avoidable cost categories, including a provision for “any other avoidable costs deemed reasonable”, should be specified in the rule.</b></p> <p>To ensure that capacity market participants have a sufficient understanding as to what may qualify as an avoidable cost and to ensure fairness and transparency regarding how the ISO will make such determinations, Capital Power believes that the following changes are necessary:</p> <ul style="list-style-type: none"> <li>1) <b>High-level avoidable cost categories, including a provision for “any other avoidable costs deemed reasonable”, should be specified in the related ISO rules.</b></li> <li>2) <b>Examples of specific costs that may fall in to these high-level categories should be provided in the related ID(s).</b></li> <li>3) <b>Guiding principles that the AESO will use in determining whether a cost is deemed an acceptable “avoidable cost” should be specified in the definition or ISO rule(s).</b></li> </ul>	<p>Please see the AESO’s reply to comments on the definition of “avoidable costs” in the AESO Replies to Proposed New ISO Rules Terms and Definitions for the Implementation of the Capacity Market matrix.</p>
<p><u>The Cogeneration Working Group (“CWG”)</u></p> <p>The differentiation between a temporary economic delist and permanent delist is not required, as proposed by the AESO.</p>	<p>The AESO is not clear on the differentiation between a temporary economic delist and permanent delist that CWG is referring to.</p> <p>Please refer to subsection 2.3 in the CMD Final Rationale.</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 201.15 of the ISO Rules, <i>Delisting</i> relates to the capacity market and why or why not	<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>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.</p> <p>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.</p>	<p>The AESO acknowledges AFREA’s comment.</p>
		<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Capital Power agrees that the proposed rule relates to the capacity market.</p>	<p>The AESO acknowledges Capital Power’s comment.</p>
		<p><u>Utilities Consumer Advocate (“UCA”)</u></p> <p>Yes, delisting requirements provide clarity to the AESO for calculations of resource adequacy supply.</p>	<p>The AESO acknowledges UCA’s comment.</p>
		<p><u>TransAlta Corporation (TransAlta”)</u></p> <p>Please see Appendix 1 of TransAlta’s submission.</p>	<p>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.</p>

Item #		Stakeholder comments	AESO Replies
2	whether you agree that Section 201.15 of the ISO Rules, <i>Delisting</i> should or should not be in effect for a fixed term and why or why not	<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>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.</p> <p>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.</p>	The AESO acknowledges AFREA’s comment.
		<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>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.</p>	The AESO acknowledges Capital Power’s comment.
		<p><u>Utilities Consumer Advocate (“UCA”)</u></p> <p>As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a short fixed-term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).</p>	The AESO acknowledges UCA’s comment.
		<p><u>TransAlta Corporation (TransAlta”)</u></p> <p>Please see Appendix 1 of TransAlta’s submission.</p>	Please see the AESO’s replies to Appendix 1 of TransAlta’s November 14,

Item #		Stakeholder comments	AESO Replies
			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 201.15 of the ISO Rules, <i>Delisting</i> and whether, in your view, Section 201.15 of the ISO Rules, <i>Delisting</i> meets the objective or purpose	<p><u>Alberta Federation of Rural 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.</p> <p>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.</p> <p><u>Capital Power Corporation ("Capital Power")</u>            Capital Power has no comments at this time.</p> <p><u>Utilities Consumer Advocate ("UCA")</u>            Yes.</p> <p><u>TransAlta Corporation (TransAlta")</u>            Please see Appendix 1 of TransAlta's submission.</p>	<p>The AESO acknowledges AFREA's comment.</p> <p>The AESO acknowledges UCA's comment.</p> <p>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.</p>
4	how, in your view, Section 201.15 of the ISO Rules, <i>Delisting</i> affects the performance of the capacity market and the electricity market	<p><u>Alberta Federation of Rural Electrification Associations ("AFREA")</u>            AFREA continues to review the voluminous comments from other stakeholders and, as such, refrains from any final position on this</p>	The AESO acknowledges AFREA's comment.

Item #		Stakeholder comments	AESO Replies
		<p>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.</p> <p>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.</p>	
		<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>See Capital Power’s concerns outlined above with respect to allowing temporarily delisted assets the ability to return to the energy market within a delivery period.</p>	<p>Please see the AESO’s reply to Capital Power’s concerns outlined above with respect to allowing temporarily delisted assets the ability to return to the energy market within a delivery period.</p>
		<p><u>Utilities Consumer Advocate (“UCA”)</u></p> <p>The rule contain strict requirements of temporary and permanent delisting. This rule would enhance the performance of the capacity market because it would provide a very clear picture of who is participating and who is not participating.</p>	<p>The AESO acknowledges UCA’s comment.</p>
		<p><u>TransAlta Corporation (TransAlta”)</u></p> <p>Please see Appendix 1 of TransAlta’s submission.</p>	<p>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.</p>
5	<p>your views on any analysis conducted or commissioned by the AESO supporting Section 201.15 of the ISO Rules, <i>Delisting</i></p>	<p><u>Alberta Federation of Rural Electrification Associations (“AFREA”)</u></p> <p>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</p>	<p>The AESO acknowledges AFREA’s comment.</p>

Item #		Stakeholder comments	AESO Replies
		<p>impact on consumers in general and REA members specifically.</p> <p>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.</p>	
		<p><u>Capital Power Corporation ("Capital Power")</u></p> <p>Capital Power has no comments at this time.</p>	
		<p><u>TransAlta Corporation (TransAlta")</u></p> <p>Please see Appendix 1 of TransAlta's submission.</p>	<p>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.</p>
6	<p>whether you agree with Section 201.15 of the ISO Rules, <i>Delisting</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market</p>	<p><u>Alberta Federation of Rural Electrification Associations ("AFREA")</u></p> <p>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.</p> <p>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.</p>	<p>The AESO acknowledges AFREA's comment.</p>

Item #		Stakeholder comments	AESO Replies
		<p><u>Capital Power Corporation (“Capital Power”)</u> See Capital Power’s concerns outlined above with respect to allowing temporarily delisted assets the ability to return to the energy market within a delivery period.</p>	<p>Please see the AESO’s reply to Capital Power’s concerns outlined above with respect to allowing temporarily delisted assets the ability to return to the energy market within a delivery period.</p>
		<p><u>Utilities Consumer Advocate (“UCA”)</u> Yes, if communicated appropriately to all market participants.</p>	<p>The AESO acknowledges UCA’s comment.</p>
		<p><u>TransAlta Corporation (TransAlta”)</u> Please see Appendix 1 of TransAlta’s submission.</p>	<p>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.</p>
7	<p>whether you would suggest any alternatives to Section 201.15 of the ISO Rules, <i>Delisting</i></p>	<p><u>Alberta Federation of Rural 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.</p>	<p>The AESO acknowledges AFREA’s comment.</p>
		<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	

Item #		Stakeholder comments	AESO Replies
		<u>Utilities Consumer Advocate (“UCA”)</u> No.	The AESO acknowledges UCA’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.
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>Alberta Federation of Rural 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> See Capital Power’s concerns outlined above with respect to allowing temporarily delisted assets the ability to return to the energy market within a delivery period.	Please see the AESO’s reply to Capital Power’s concerns outlined above with respect to allowing temporarily delisted assets the ability to return to the energy market within a delivery period.
		<u>Utilities Consumer Advocate (“UCA”)</u> The cost may not be reasonable for the reasons/concerns noted above.	Please see the AESO’s reply to the UCA’s comments on subsection 2(2).

Item #		Stakeholder comments	AESO Replies
		<p><u>TransAlta Corporation (TransAlta)</u> Please see Appendix 1 of TransAlta's submission.</p>	<p>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.</p>
9	<p>whether you agree that the proposed provisional rule supports the public interest and why or why not</p>	<p><u>Alberta Federation of Rural 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.</p> <p>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.</p> <p><u>Capital Power Corporation ("Capital Power")</u> Capital Power has no comments at this time.</p> <p><u>Utilities Consumer Advocate ("UCA")</u> If the cost is too high the public interest is not supported.</p> <p><u>TransAlta Corporation (TransAlta)</u> Please see Appendix 1 of TransAlta's submission.</p>	<p>The AESO acknowledges AFREA's comment.</p> <p>Please see the AESO's reply to the UCA's comments on subsection 2(2).</p> <p>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.</p>
10	<p>whether you have any additional comments</p>	<p><u>Alberta Federation of Rural Electrification Associations ("AFREA")</u> AFREA continues to review the voluminous comments from other stakeholders and, as such, refrains from any final position on this</p>	<p>The AESO acknowledges AFREA's comment.</p>

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		<p>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.</p> <p>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.</p>	
		<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Capital Power has no further comments at this time.</p>	
		<p><u>Utilities Consumer Advocate (“UCA”)</u></p> <p>Section 2(2)(a)(iii) states, “the start date and the end date of the delist outage referred to in 2(2)(b)(i)”, however 2(2)(b)(i) does not exist.</p> <p>Section 201.15 s2(2)(a)(i) does not currently account for a leap year. Consideration should be included for leap years.</p> <p>Section 2(2)(a) states that a capacity market participant must submit, “an attestation from a corporate officer of the pool participant.” The UCA believes that there should be a more rigorous and transparent process for submitting requests rather than relying solely on an officers attestation. The process should provide the ability for interveners to dispute or challenge the request if desired.</p> <p>This reinforces the need for proper scrutiny on the costs submitted to support delisting. There should be a submission of costs to an independent third party such as the AUC and proper process should</p>	<p>The AESO does not agree with the UCA’s suggested change. The AESO considered accounting for leap year, but considers that one day does not materially impact the outage criteria.</p> <p>The reference should have been 2(2)(a)(i) rather than 2(2)(b)(i). The AESO will correct the reference in the next version of Section 201.15.</p> <p>An attestation is intended to obtain a written statement from a senior officer of the firm, on behalf of the firm, certifying the validity and accuracy of the costs provided in accordance with the ISO rule and their nature as avoidable costs. Providing a false attestation can carry legal consequences. The AESO is required by Section 103.1 of the ISO rules, <i>Confidentiality</i> to keep market participant records confidential. The AESO is of the view that it is within the Market Surveillance Administrator’s authority to monitor anti-competitive behaviour relating to the submission of costs in the capacity market.</p>

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		be followed to ensure costs are prudent and reasonable.	
		<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.