

Proposed New, Amended and Removed Energy and Ancillary Services Markets Terms and Definitions

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

Stakeholder Comments and/or Proposed Alternative Definition Wording	AESO Replies
<p>“acceptable operational reason” means, any 1 or more of the following:</p> <ul style="list-style-type: none"> (i) a circumstance related to the operation of a generating source asset or load sink asset which if it operated could reasonably be expected to affect the safety of the asset, the environment, personnel working at the asset or the public; (ii) re-positioning a generating source asset or load sink asset, within the energy market due to the need to meet a dispatch given to that asset from the ISO to serve the stand-by operating reserves market; (iii) re-positioning a generating source asset or load sink asset within the energy market to manage physical or operational constraints associated with the asset; (iv) re-positioning a pool asset that is an import asset or an export asset within the energy market if all or a portion of the requested transmission service cannot be procured, or the transmission service is curtailed by any transmission service provider other than the ISO (v) a circumstance directly resulting in the generating source asset or load sink asset not being capable of operation, which circumstance was solely caused by an occurrence of force majeure; (vi) re-positioning a generating source asset for electric energy that is: <ul style="list-style-type: none"> (a) produced on the property of which a person is the owner or a tenant; and (b) consumed solely by that person and solely on that property; (vii) re-positioning a generating source asset within the energy market in response to: <ul style="list-style-type: none"> (a) a distribution constraint that causes a limitation to the normal economic merit operation of the generating source asset, or to the flow of electrical energy from the generating source asset from one part of the electric distribution system or an electric system within the service area of the City of Medicine Hat to the other; or (b) a transmission outage that results in the generating source asset being electrically disconnected from the transmission system or an electric system within the service area of the City of Medicine Hat; or (viii) re-positioning a load sink asset within the energy market to reflect a capacity commitment. 	
<p><u>Capital Power Corporation (“Capital Power”)</u> “acceptable operational reason”</p>	

Stakeholder Comments and/or Proposed Alternative Definition Wording	AESO Replies
<p>• Remove subsection (vii)</p> <p>Capital Power remains of the view that subsection (vii) is inconsistent with the definition of “available capability.” See Capital Power’s previous comments submitted October 9, 2018 regarding this term and the proposed definition.</p> <p>Capital Power is supportive of ensuring that the availability of a source asset is accurately reported but believes that the addition of subsection (vii)(b) fails to achieve this purpose and creates a number of issues and unintended consequences. For these reasons, outlined in detail below, Capital Power believes that subsection (vii)(b) should be removed, or, in the alternative, revised to address the issues identified below.</p> <p>Subsection (vii) is inconsistent with the current definition of “available capability” (“AC”). The situations described in (vii) (a) and (b) do not necessarily establish that a source asset was physically incapable of generating output. Rather, the operational limitation, in this instance, is the ability to transmit output or for the system to receive it. Therefore, the proposed section (vii) is inconsistent with the definition of AC and could result in AC data that is not reflective of “the maximum MW that the source asset is physically capable of providing” among other unintended consequences.</p> <p>Changes to the definition of AC or data used to track AC may inadvertently impact other aspects of the market that rely on availability information. .</p> <p>The AESO relies on the AC information submitted by market participants to perform various tasks established under the current ISO Rules and will be an input on important future capacity market-related activities. These include the performance assessment in calculating the annual refund as outlined in ISO Rule Section 505.2 - <i>Performance Criteria for Refund of Generating Unit Owner’s Contribution</i> or the calculation of the uniform capacity value in the capacity market.</p> <p>At subsection 3(3) of ISO rule 505.2, the hourly availability of a generating facility is based (in part) on AC-related data. To the extent AC restatements will be required to reflect transmission outages beyond the control of a market participant, AC information may not accurately reflect the actual availability of the source asset particularly if the facility remains physically capable of generating output. Without adjustments accounting for such reductions in AC due to these forms of transmission outages, the results of the availability assessment outlined under ISO Rule 505.2 stand to misrepresent the actual availability of the generating unit. For this reason, Capital Power believes that subsection 7 of current ISO Rule 505.2 provides the ISO the ability to adjust hourly AC where it is affected by events outside the control of the owner of a generation facility. However, proposed ISO rule 206.3 - <i>Uniform Capacity Value Determination</i> has no such provision. Therefore, Capital Power requests the AESO confirm that the AC information submitted as a result of satisfying</p>	<p>The AESO does not agree with Capital Power’s proposal to remove subsection (vii) from the definition, as the AESO considers the availability of the source asset should be accurately reflected in the merit order.</p> <p>The AESO does not agree with Capital Power’s comment. An asset is not capable of providing MW if it is not connected to the Alberta interconnect electric system.</p> <p>The AESO confirms that subsection 7 of Section 505.2, <i>Performance Criteria for Refund of Generating Unit Owner’s Contribution</i> provides the AESO will the ability to adjust hourly availability capability where it is affected by events outside the control of the owner of a generation facility.</p> <p>Availability capability restatements that are submitted under subsection (vii)(b) of the “acceptable operational reason” definition will not be adjusted as part of determining as asset’s uniform capacity value.</p> <p>See subsection 3.2.2 in the CMD Final Rationale and AESO response to Capital Power’s comment on the “transmission market constraint” definition.</p>

Stakeholder Comments and/or Proposed Alternative Definition Wording	AESO Replies
<p>proposed AOR definition section (vii)(b), will be adjusted as part of determining an asset's uniform capacity value.</p> <p>The AESO should track limitations on an asset's ability to transmit output or for the system to receive it separately from AC.</p> <p>To ensure that transmission constraints and transmission outages outside of the control of an operator do not adversely impact an asset's uniform capacity value calculation or performance assessment (as per Capital Power's understanding of CMD Final – see Capital Power's comments regarding the proposed "transmission market constraint" definition) the AESO must track data related to limitations on an asset's ability to deliver energy due to transmission constraints and transmission outages. Capital Power believes that, for the reason outlined above, tracking this through an AOR in ETS is not the appropriate method. The AESO, as the system operator, should be responsible for tracking this data and should establish a system, separate from AORs in ETS to collect this information and share it with market participants.</p>	<p>The AESO will track transmission market constraints. Transmission outages that result in an asset being electrically disconnected from the transmission system and distribution constraints will be tracked through available capability restatements. There is no need for additional tracking for transmission outages because they do not qualify for a uniform capacity value exemption. The use of the current IT systems satisfactory meets the AESO's needs at this time.</p>
<p><u>TransAlta Corporation ("TransAlta")</u></p> <p>A pool asset should not be required to restate its Available Capability (AC) for transmission outages.</p> <p>The Comprehensive Market Design proposal states: "Transmission system constraints will be excluded and will not reduce calculated UCAP values"¹; however, the appearance of an Acceptable Operational Reason (AOR) related to transmission outages suggests otherwise. Our concern is that the AESO is deviating significantly from the current practice today, which does not require a generating asset to restate AC due to a transmission outage, and that AC restatements related to transmission outages will impact the future capacity value of the capacity resource, which is based on historical data on AC. We suggest that this requirement be removed or if it is related to self-supply sites that the requirement be restated to clearly indicate that it only applies to self-supply sites.</p> <p>"acceptable operational reason" means, any 1 or more of the following:</p> <ul style="list-style-type: none"> (i) a circumstance related to the operation of a generating source asset or load sink asset which if it operated could reasonably be expected to affect the safety of the asset, the environment, personnel working at the asset or the public; (ii) re-positioning a generating source asset or load sink asset, within the energy market due to the need to meet a dispatch given to that asset from the ISO to serve the stand-by operating reserves market; 	<p>See subsection 3.2.2 in the CMD Final Rationale and AESO response to Capital Power's comment on the "transmission market constraint" definition.</p>

Stakeholder Comments and/or Proposed Alternative Definition Wording	AESO Replies
<ul style="list-style-type: none"> (iii) re-positioning a generating source asset or load sink asset within the energy market to manage physical or operational constraints associated with the asset; (iv) re-positioning a pool asset that is an import asset or an export asset within the energy market if all or a portion of the requested transmission service cannot be procured, or the transmission service is curtailed by any transmission service provider other than the ISO (v) a circumstance directly resulting in the generating source asset or load sink asset not being capable of operation, which circumstance was solely caused by an occurrence of force majeure; (vi) re-positioning a generating source asset for electric energy that is: <ul style="list-style-type: none"> (a) produced on the property of which a person is the owner or a tenant; and (b) consumed solely by that person and solely on that property; (vii) re-positioning a generating source asset within the energy market in response to: <ul style="list-style-type: none"> (a) a distribution constraint that causes a limitation to the normal economic merit operation of the generating source asset, or to the flow of electrical energy from the generating source asset from one part of the electric distribution system or an electric system within the service area of the City of Medicine Hat to the other; or (b) a transmission outage that results in the generating source asset being electrically disconnected from the transmission system or an electric system within the service area of the City of Medicine Hat; or (viii) re-positioning a load sink asset within the energy market to reflect a capacity commitment. 	
<p>“adequacy” means the ability of the interconnected electric system to supply the aggregate electrical demand and energy requirements of market participants receiving system access service, taking into account delist outages, planned outages and reasonably expected delayed forced outages and automatic forced outages of system elements.</p>	
<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	

Stakeholder Comments and/or Proposed Alternative Definition Wording	AESO Replies
<p>“allowable dispatch variance” means:</p> <ul style="list-style-type: none"> (i) for each generating source asset, other than a wind or solar aggregated generating facility, as measured from the dispatch quantity, plus or minus the dispatch tolerance, in MW; (ii) for each wind or solar aggregated generating facility: <ul style="list-style-type: none"> a) the dispatch tolerance, in MW, greater than the dispatch quantity, and the dispatch tolerance, in MW, less than the potential real power capability, if the potential real power capability is less than the dispatch quantity; or b) plus or minus the dispatch tolerance, in MW, from the dispatch, if the potential real power capability is greater than or equal to the dispatch quantity; (iii) for each load sink asset that is providing a firm consumption level: <ul style="list-style-type: none"> a) that receives a dispatch for 0 MW, there is no limit on consumption; or b) that receives a dispatch for greater than 0 MW, as measured between: <ul style="list-style-type: none"> i. the qualified baseline minus the dispatch quantity plus the dispatch tolerance, and ii. 0 MW. (iv) for each load sink asset providing guaranteed load reduction: <ul style="list-style-type: none"> a) that receives a dispatch for 0 MW, measured as no less than the available capability; or b) that receives a dispatch that is greater than 0 MW, as measured between: <ul style="list-style-type: none"> i. the instantaneous amount of real power of the pool asset at the time of the dispatch plus the change in dispatch volume, plus the dispatch tolerance; and ii. the available capability minus the dispatch volume. 	
<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	

Stakeholder Comments and/or Proposed Alternative Definition Wording	AESO Replies
<p>“available capability” means:</p> <ul style="list-style-type: none"> (i) for a generating source asset or load sink asset, the maximum MW that the source asset or load sink asset is physically capable of providing; or (ii) for an import source asset, the MW that the pool participant submits in an offer. 	
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Load sink assets are not capable of “providing” MW. Rather, these assets consume (or withdraw) MW. Therefore, Capital Power recommends that the proposed language be revised to improve the definition.</p> <p>“available capability” means:</p> <ul style="list-style-type: none"> (i) for a generating source asset or load sink asset, the maximum MW that the source asset or load sink asset is physically capable of providing injecting or withdrawing; or 	<p>The AESO does not agree with Capital Power’s comment. In the context of the ISO rules, the participation of load in the energy market is in relation to a reduction in consumption.</p>
<p>“inflexible block” means:</p> <ul style="list-style-type: none"> (i) an operating block in an energy offer or bid for which the ISO may issue a dispatch for only the full amount of MW in the operating block; or (ii) a capacity block in an offer or bid for capacity that the ISO may not partially clear in a base auction or rebalancing auction. 	
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Capital Power supports the revision to include “bids” as part of the definition.</p>	<p>The AESO acknowledges Capital Power’s comment.</p>
<p>“maximum capability” means:</p> <ul style="list-style-type: none"> (i) for a generating unit or aggregated generating facility, the maximum MW that it is physically capable of providing under optimal operating conditions while complying with all applicable ISO rules and terms and conditions of the ISO tariff; (ii) for a source asset that is an import asset, the maximum MW that it is permitted to import into Alberta; or (iii) for a load sink asset, the capacity that a load sink asset is capable of providing during an obligation period. 	
<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>Capital Power has no comments at this time.</p>	

Stakeholder Comments and/or Proposed Alternative Definition Wording	AESO Replies
<p>“offer” means:</p> <ul style="list-style-type: none"> (i) in respect of a pool asset in a settlement interval, a pool participant submission to sell, updated to reflect Section 203.5 of the ISO rules, <i>Energy Market Mitigation</i>, as applicable: <ul style="list-style-type: none"> a) electric energy or dispatch down service and includes all of the operating blocks the pool participant uses for that submission; or b) operating reserves to applicable Alberta markets; or (ii) in respect of an asset in a base auction or rebalancing auction, a capacity market participant’s submission to sell uniform capacity value and includes all of the capacity blocks the capacity market participant uses for that submission. 	
<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	
<p>“offer control information” means the identity of any person who has ultimate control and determination of the price and quantity of offers or bids as applicable.</p>	
<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	
<p>“steady state” means the state of operation that begins the first 10 minute clock period following the period in which a generating source asset’s output or a load sink asset’s consumption has reached the MW specified in an energy market dispatch, plus or minus the allowable dispatch variance for that generating source asset or load sink asset.</p>	
<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	
<p>“supply obligation” means a person’s fixed price physical and financial obligations in a settlement interval, in MW, that have the net effect of reducing the person’s exposure to the pool price by the amount of the obligation in that settlement interval.</p>	
<p><u>Capital Power Corporation (“Capital Power”)</u> Capital Power has no comments at this time.</p>	