

**Proposed New ISO rule –Section 103.10, Capacity Award Calculation**

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

**Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.**

Blackline of Suggested Rule Wording	Rationale
(d) Price r1 equals the clearing price in \$/kW-year of the first rebalancing auction, <del>which is also the last rebalancing auction for the first 3 obligation periods;</del>	This clarification is already provided in subsection (c) above and it is not necessary to repeat it.
	The AESO should also consider adding a term for capacity market uplift payments because of a transmission congestion constraint (ISO Rule 201.13, section 4(3)).



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

Item #		Stakeholder comments
1	whether you agree that Section 103.10, <i>Capacity Award Calculation</i> relates to the capacity market and why or why not	
2	whether you agree that Section 103.10, <i>Capacity Award Calculation</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 103.10, <i>Capacity Award Calculation</i> and whether, in your view, Section 103.10, <i>Capacity Award Calculation</i> meets the objective or purpose	
4	how, in your view, Section 103.10, <i>Capacity Award Calculation</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 103.10, <i>Capacity Award Calculation</i>	
6	whether you agree with Section 103.10, <i>Capacity Award Calculation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 103.10, <i>Capacity Award Calculation</i>	
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	

Item #		Stakeholder comments
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	

**Proposed New ISO rule –Section 103.11, Capacity Market Financial Security Requirements**

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

**Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.**

Blackline of Suggested Rule Wording	Rationale
<p>3(1) The ISO must calculate the security for the payment adjustment balance limit for an asset subject to a capacity commitment as follows: <i>payment adjustment balance security = payment adjustment balance limit – forecast payment adjustment balance</i> where:</p> <p>(a) payment adjustment balance limit is the limit calculated in subsection 3(2);</p> <p>(b) forecast payment adjustment balance is the amount in dollars <u>determined by the ISO</u>.</p>	<p>ATCO submits that the AESO should designate the way it will determine the forecast payment adjustment balance in the rule. ATCO submits that this information is an essential part of the rule and is required for market participant certainty. It is not adequate for the ISO to determine the forecast payment adjustment in an information document or in some process outside the authoritative nature of the ISO Rule.</p>

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 103.11, <i>Capacity Market Financial Security Requirements</i> relates to the capacity market and why or why not	
2	whether you agree that Section 103.11, <i>Capacity Market Financial Security Requirements</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 103.11, <i>Capacity Market Financial Security Requirements</i> and whether, in your view, Section 103.11, <i>Capacity Market Financial Security Requirements</i> meets the objective or purpose	
4	how, in your view, Section 103.11, <i>Capacity Market Financial Security Requirements</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 103.11, <i>Capacity Market Financial Security Requirements</i>	
6	whether you agree with Section 103.11, <i>Capacity Market Financial Security Requirements</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 103.11, <i>Capacity Market Financial Security Requirements</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	



**Proposed New ISO rule –Section 201.10, Capacity Market Participant Registration**

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

**Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.**

Blackline of Suggested Rule Wording	Rationale
2 A person or pool participant must register a capacity market participant with the ISO within the timelines specified by the <a href="#">Capacity Market Auction Guidelines</a> .	As submitted previously, ATCO strongly believes that the AESO must specify the relative timelines in the applicable rules because this is authoritative information. The exact dates for a specific auction can be published prior to each auction in the <i>Capacity Market Auction Guidelines</i> for ease of reference. The <i>Capacity Market Auction Guidelines</i> must not have the borrowed authority given to it from the current drafts of the ISO Rules; the <i>Capacity Market Auction Guidelines</i> is an information document and should only serve to clarify the requirement (i.e. timeline) as detailed in the ISO Rule. It is inappropriate to have the <i>Capacity Market Auction Guidelines</i> convey authoritative information without the oversight akin to an ISO Rule.

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 201.10, <i>Capacity Market Participant Registration</i> relates to the capacity market and why or why not	
2	whether you agree that Section 201.10, <i>Capacity Market Participant Registration</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 201.10, <i>Capacity Market Participant Registration</i> and whether, in your view, Section 201.10, <i>Capacity Market Participant Registration</i> meets the objective or purpose	
4	how, in your view, Section 201.10, <i>Capacity Market Participant Registration</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 201.10, <i>Capacity Market Participant Registration</i>	
6	whether you agree with Section 201.10, <i>Capacity Market Participant Registration</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 201.10, <i>Capacity Market Participant Registration</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	

**Proposed New ISO rule –Section 201.12, Capacity Market Block Allocation**

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

***Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.***

Blackline of Suggested Rule Wording	Rationale
(2) The ISO must, subject to subsection 2(3), allocate to a capacity market participant for each asset with a uniform capacity value equal to or greater than 1 MW: (a) 7 capacity blocks to submit an offer; and (b) 7 capacity blocks to submit a bid.	ATCO believes the AESO should consider moving to eight offer blocks with the ability for joint venture partners to submit offers separately to the AESO. Having an even number of blocks would enable blocks to be split easily in joint ventures with an even number of participants. ATCO is of the view that the AESO should design its system for accepting capacity market offers to facilitate compliance with the FEOC Regulation, without requiring market participants to establish mechanisms to submit offers jointly.

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 201.12, <i>Capacity Market Block Allocation</i> relates to the capacity market and why or why not	
2	whether you agree that Section 201.12, <i>Capacity Market Block Allocation</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 201.12, <i>Capacity Market Block Allocation</i> and whether, in your view, Section 201.12, <i>Capacity Market Block Allocation</i> meets the objective or purpose	
4	how, in your view, Section 201.12, <i>Capacity Market Block Allocation</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 201.12, <i>Capacity Market Block Allocation</i>	
6	whether you agree with Section 201.12, <i>Capacity Market Block Allocation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 201.12, <i>Capacity Market Block Allocation</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	



## Proposed New ISO rule –Section 201.15, *Delisting*

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

**Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.**

Blackline of Suggested Rule Wording	Rationale
2(1) A capacity market participant may, within the timelines specified in the Capacity Market Auction Guidelines for the last rebalancing auction and in the manner the ISO specifies, submit to the ISO a request to temporarily delist an asset or portion of such asset for the obligation period for economic reasons.	<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>
2(2) A capacity market participant must, in the request referred to in subsection 2(1), submit: (e) any other information the ISO specifies as it relates to the request to temporarily delist an asset for economic reasons.	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.
9 A capacity market participant must not temporarily delist an asset: (a) for economic reasons for more than 2 consecutive obligation periods; or (b) for physical limitation, operational limitation or delay in commercial operation for more than 2 consecutive obligation periods.	<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>

Blackline of Suggested Rule Wording	Rationale
<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 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>(B) the date that the MW volume from the asset will be removed from the energy market.</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(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>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>

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

Item #		Stakeholder comments
1	whether you agree that Section 201.15, <i>Delisting</i> relates to the capacity market and why or why not	
2	whether you agree that Section 201.15, <i>Delisting</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 201.15, <i>Delisting</i> and whether, in your view, Section 201.15, <i>Delisting</i> meets the objective or purpose	
4	how, in your view, Section 201.15, <i>Delisting</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 201.15, <i>Delisting</i>	
6	whether you agree with Section 201.15, <i>Delisting</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 201.15, <i>Delisting</i>	
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	

Item #		Stakeholder comments
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	

**Proposed New ISO rule –Section 203.5, *Energy Market Mitigation***

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

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Blackline of Suggested Rule Wording	Rationale
	ATCO submits that it would be helpful if the AESO prepared an information document for the energy market mitigation rule with a timeline of events leading up to and after the settlement interval related to mitigation. This could be similar to the format used for the Capacity Market Guidelines.
2(b) determine the values of such cost information assuming that the thermal generating unit or aggregated generating facility is operating under normal operating conditions at maximum capability;	ATCO submits that it is not reasonable to assess the cost information assuming the unit is operating at maximum capability and believes it would be more reasonable to assess costs at reasonable levels of output (i.e. minimum stable generation, expected average output, and maximum capability) and then average these values. Assessing a unit’s costs at maximum capability or minimum stable generation does not necessarily reflect its marginal costs at its average level of output, since marginal costs typically decline as output increases.
3(1) A pool participant must submit to the ISO the expected annual average of the following information for a thermal generating unit or aggregated generating facility	The ISO Rule should specify on what relative date the pool participant is required to submit the requested cost information.

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 203.5, <i>Energy Market Mitigation</i> relates to the capacity market and why or why not	
2	whether you agree that Section 203.5, <i>Energy Market Mitigation</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 203.5, <i>Energy Market Mitigation</i> and whether, in your view, Section 203.5, <i>Energy Market Mitigation</i> meets the objective or purpose	
4	how, in your view, Section 203.5, <i>Energy Market Mitigation</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 203.5, <i>Energy Market Mitigation</i>	
6	whether you agree with Section 203.5, <i>Energy Market Mitigation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 203.5, <i>Energy Market Mitigation</i>	
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	

Item #		Stakeholder comments
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	



**Proposed New ISO rule –Section 206.2, Self-Supply Configurations**

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

**Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.**

Blackline of Suggested Rule Wording	Rationale
<p>Requirements to Self-supply Capacity</p> <p>2(1) The legal owner of a load asset must self-supply capacity if the electric energy produced by an onsite generating unit or an aggregated generating facility can flow to the load asset without being measured and recorded at a measurement point.</p> <p><i>(2) The legal owner of a load asset <b>may</b> self-supply capacity if the electric energy produced by an onsite generating unit or aggregated generating facility can be independently measured and recorded at a measurement point as it flows to the load asset.</i></p> <p><del>(2)</del> (3) The City of Medicine Hat must self-supply capacity.</p> <p>Application to Self-supply Capacity</p> <p>3 The legal owner of a load asset and the City of Medicine Hat must, within the timelines prescribed by the Capacity Market Auction Guidelines, provide the ISO with a completed application, available on the AESO website, to self-supply capacity.</p> <p>Approval to Self-supply Capacity</p> <p>4(1) The ISO must, within the timelines prescribed by the Capacity Market Auction Guidelines, approve an application to self-supply capacity if the site meets the criteria set out in subsection</p>	<p>ATCO is concerned that it appears the AESO has changed its stance on self-supply and the rule at the last minute without consultation. ATCO understood that sites that did not have the ability to meter load and generation separately would be required to self-supply capacity and sites with separate meters would have the option to self-supply capacity.</p> <p>It now appears, however, that there will be no option for separately metered load and generation to self-supply capacity. This is a significant change for the affected sites, especially since it is not possible to easily hedge capacity because of the weighted energy cost allocation mechanism. ATCO urges the AESO to revert to the previous design where sites with metering on both load and generation will have the option to self-supply capacity.</p>

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 206.2, <i>Self-Supply Configurations</i> relates to the capacity market and why or why not	
2	whether you agree that Section 206.2, <i>Self-Supply Configurations</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 206.2, <i>Self-Supply Configurations</i> and whether, in your view, Section 206.2, <i>Self-Supply Configurations</i> meets the objective or purpose	
4	how, in your view, Section 206.2, <i>Self-Supply Configurations</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 206.2, <i>Self-Supply Configurations</i>	
6	whether you agree with Section 206.2, <i>Self-Supply Configurations</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 206.2, <i>Self-Supply Configurations</i>	
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	

Item #		Stakeholder comments
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	

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

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

***Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.***

Blackline of Suggested Rule Wording	Rationale
<p>Notification of Tightest Supply Cushion Hours and Preliminary Uniform Capacity Values</p> <p>10(1) The ISO must, within the timelines prescribed by the Capacity Market Auction Guidelines, publish on the AESO website:</p> <p>(a) the 1250 tightest supply cushion hours identified in accordance with subsection 3(1); and</p> <p>(b) the class averages referred to in subsection 7(1)(a).</p>	<p>ATCO submits that this rule should include a timeline under which the ISO will report this information, in terms of number of days or months before the applicable auction. It is not appropriate for this information to be relegated to an information document.</p>
<p><del>10(1)</del> <u>11(1)</u> A capacity market participant may, within the timelines prescribed by the Capacity Market Auction Guidelines, request to vary the uniform capacity value of an asset if:</p>	<p>Numbering error.</p>

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 206.3, <i>Uniform Capacity Value Determination</i> relates to the capacity market and why or why not	
2	whether you agree that Section 206.3, <i>Uniform Capacity Value Determination</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 206.3, <i>Uniform Capacity Value Determination</i> and whether, in your view, Section 206.3, <i>Uniform Capacity Value Determination</i> meets the objective or purpose	
4	how, in your view, Section 206.3, <i>Uniform Capacity Value Determination</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 206.3, <i>Uniform Capacity Value Determination</i>	
6	whether you agree with Section 206.3, <i>Uniform Capacity Value Determination</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 206.3, <i>Uniform Capacity Value Determination</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	



**Proposed New ISO rule –Section 206.6, *Base Auction and Rebalancing Auction***

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
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***Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.***

Blackline of Suggested Rule Wording	Rationale
Publication of Capacity Market Auction Guidelines 4 The ISO must publish the Capacity Market Auction Guidelines no later than 8 months prior to the start of each base auction or rebalancing auction offering window.	The publication timeline for the Capacity Market Guidelines is inconsistent with the timelines included in the current draft of the guidelines, which have prequalification occurring 11 months prior to the start of the base auction. ATCO submits that the auction guidelines should be published a minimum of 4 months before qualification for an auction (i.e. T-15 months for a base auction or T-11 months for a rebalancing auction). Further, the general timelines in the Capacity Market Guidelines should be known to participants as they should be wholly contained in the ISO Rules; the specific timetable for all activities of each auction should be published 4 months prior to the first deadline of the first activity.

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 206.6, <i>Base Auction and Rebalancing Auction</i> relates to the capacity market and why or why not	
2	whether you agree that Section 206.6, <i>Base Auction and Rebalancing Auction</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 206.6, <i>Base Auction and Rebalancing Auction</i> and whether, in your view, Section 206.6, <i>Base Auction and Rebalancing Auction</i> meets the objective or purpose	
4	how, in your view, Section 206.6, <i>Base Auction and Rebalancing Auction</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 206.6, <i>Base Auction and Rebalancing Auction</i>	
6	whether you agree with Section 206.6, <i>Base Auction and Rebalancing Auction</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 206.6, <i>Base Auction and Rebalancing Auction</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	

**Proposed New ISO rule –Section 206.9, Asset Substitution**

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

***Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.***

Blackline of Suggested Rule Wording	Rationale
2(1) A capacity market participant for an asset subject to a capacity commitment must, in order to substitute delivery volumes from another asset, submit a complete application, available on the AESO website, to the ISO following the last rebalancing auction, prior to the effective time of the substitution.	ATCO submits that all units that have been assigned a uniform capacity value for the relevant delivery period should be eligible for capacity commitment substitution. This should include units or portions of units that did not clear the capacity auction, as well as units that have returned from a delist for a portion of the year. These units are still able to provide the capacity product required by the ISO and should be eligible for substitution. Prohibiting these assets from substitution artificially limits the supply of capacity in the market.

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 206.9, <i>Asset Substitution</i> relates to the capacity market and why or why not	
2	whether you agree that Section 206.9, <i>Asset Substitution</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 206.9, <i>Asset Substitution</i> and whether, in your view, Section 206.9, <i>Asset Substitution</i> meets the objective or purpose	
4	how, in your view, Section 206.9, <i>Asset Substitution</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 206.9, <i>Asset Substitution</i>	
6	whether you agree with Section 206.9, <i>Asset Substitution</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 206.9, <i>Asset Substitution</i>	
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	

Item #		Stakeholder comments
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	



**Proposed New ISO rule –Section 206.11, *Energy and Ancillary Services Offset for Assets***

<b>Period of Comment:</b>	October 26, 2018	through	November 14, 2018	<b>Contact:</b>	Mark Nesbitt
<b>Comments From:</b>	ATCO			<b>Phone:</b>	587-215-6496
<b>Date [yyyy/mm/dd]:</b>	2018/11/14			<b>Email:</b>	Mark.nesbitt@atco.com

***Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.***

Blackline of Suggested Rule Wording	Rationale
3(1) The ISO must, when required under Section 201.15 of the ISO rules, Delisting and Section 206.7 of the ISO rules, Capacity Market Mitigation, for every obligation period or portion of an obligation period, calculate the energy and ancillary services offset value in accordance with the following formula:	ATCO submits that the EAS offset should be calculated net of taxes. Gross CONE has been established as an after-tax estimation, so net-CONE should be established by subtracting an after tax EAS offset value. Neglecting to consider tax when calculating the EAS offset will have the effect of overcounting expected revenues from the energy market and lead to an undervalued Net-CONE, distorting the incentive to invest.

Blackline of Suggested Rule Wording	Rationale

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

Item #		Stakeholder comments
1	whether you agree that Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> relates to the capacity market and why or why not	
2	whether you agree that Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> should or should not be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> and whether, in your view, Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> meets the objective or purpose	
4	how, in your view, Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i>	
6	whether you agree with Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i>	

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	
10	whether you have any additional comments	