

Proposed New ISO rule – Section 206.2 – Self Supply Configurations

Period of Comment:	August 13, 2018	through	August 31, 2018	Contact:	Hao Liu
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Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.

Section	Subsection	Proposed language	Stakeholder comments
		Applicability	
1		Section 206.2 applies to: <ul style="list-style-type: none"> (a) the legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities; (b) the City of Medicine Hat; and (c) the ISO. 	Create a definition for “load asset” and “onsite”
		Requirements	
		Mandatory Requirements to Self-supply Capacity	
2	(1)	The legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities must self-supply capacity if such site is: <ul style="list-style-type: none"> (a) metered on a net basis; or (b) is not capable of flowing energy on to the interconnected electric system. 	Create a definition of “not capable”. Is this referring to a physical limitation based on the grid connection or lack of connection or a process constraint (Generation and Load coupling)? What information is required to prove that a load asset is “not capable”?

Section	Subsection	Proposed language	Stakeholder comments
2	(2)	The City of Medicine Hat must self-supply capacity .	
		Option to Self-supply Capacity	
3		<p>The legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities may choose to self-supply capacity if:</p> <ul style="list-style-type: none"> (a) such site has a bi-directional net-interval meter; (b) the generating units or aggregated generating facilities are metered on a gross basis; and (c) the generating units or aggregated generating facilities are capable of flowing energy on to the interconnected electric system. 	
		Application to Self-supply Capacity	
4		The legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities and the City of Medicine Hat must provide the ISO , within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , a completed application to self-supply capacity including all information or documents that the ISO specifies.	
		Approval to Self-supply Capacity	
5		The ISO must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , approve an application to self-supply capacity if the site meets the criteria set out in subsections 2 or 3, as applicable.	
		Capacity from a Self-supply Configuration	
6	(1)	The legal owner of a generating unit or an aggregated generating facility in a self-	There could be situations in which the self supplier cannot flow this energy on the grid

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		<p>supply configuration must, in the event that:</p> <ul style="list-style-type: none"> (a) the generating unit or aggregated generating facility has excess capacity that is not serving the on-site load; and (b) the excess capacity that is not serving the on-site load has a uniform capacity value greater than or equal to 1 MW. <p>participate in the capacity market with the excess capacity that is not serving the on-site load.</p>	<p>due to physical reason. This rule needs to be able to deal with those situations.</p>
6	(2)	<p>The legal owner of a load asset in a self-supply configuration may provide capacity in the capacity market with the portion of the load that is not supplied by onsite generation if the capacity has a uniform capacity value greater than or equal to 1 MW.</p>	
		<p>Changes in Self-supply Status</p>	
7	(1)	<p>The legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities that is required to self-supply capacity pursuant to subsection 2(1) may apply to the ISO to change its self-supply status if:</p> <ul style="list-style-type: none"> (a) the legal owner installs a bi-directional net-interval meter at such site; (b) the legal owner changes generating units or aggregated generating facilities to be metered on a gross basis; and (c) the generating units or aggregated generating facilities are capable of flowing energy on to the interconnected electric system. 	
7	(2)	<p>The legal owner of a load asset that is served by one or more onsite generating units or aggregated generating facilities that elects to self-supply capacity pursuant to subsection 3 must self-supply capacity for a minimum of 4 obligation periods unless it</p>	

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		can demonstrate to the ISO 's satisfaction that physical changes to the site warrant a change in self-supply status.	

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 the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO rule – 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 the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> and whether, in your view, the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i> meets the objective or purpose	
4	how, in your view, the proposed new ISO rule – 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 the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</i>	
6	whether you agree with the proposed new ISO rule – 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	The rule minimally prevents self-suppliers from gaining benefit from the capacity market without paying for it. It takes small steps by limiting a self supplier’s ability to switch between load and generation that provides minimal overall system benefit. An appropriate design of capacity cost allocation and further rules on self-supply noncompliance need to be developed in order to prevent cross subsidization.
7	whether you would suggest any alternatives to the proposed new ISO rule – Section 206.2 – <i>Self Supply Configurations</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	

Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO rule – Section 206.2 – Self Supply Configurations