

Alberta Comprehensive Market Design – Working Group Terms of Reference

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1. Background

Throughout 2017, stakeholders from industry participated in five different working groups to develop recommendations with respect to the technical design of the capacity market. These recommendations were reflected in the Straw Albert Market (SAM) 2.0 and 3.0 proposals. The AESO considered these recommendations, in addition to feedback provided by the broader stakeholder community, to develop the first draft of the Comprehensive Market Design (CMD).

During Q1 and Q2 of 2018, the AESO will continue to advance the technical design of the capacity market in collaboration with stakeholders in order to finalize the CMD by June 30, 2018. Working groups will continue to be leveraged and act in an advisory capacity. Working group members will be asked to review materials in advance of in-person sessions, participate in discussions and provide written feedback following these sessions. All feedback received from stakeholders over the coming months will be considered by the AESO as it finalizes the technical design.

2. Purpose of the Terms of Reference

The Terms of Reference are intended to guide the interactions between the AESO and working group members and to set expectations with respect to how AESO and working group members are to conduct themselves during working group sessions and otherwise contribute to the design process.

3. Working groups

3.1 Purpose

The purpose of the working groups will be to leverage members' expertise in order to finalize the technical design for the capacity market, and related energy and ancillary service market changes.

3.2 Scope

Participation in the working groups will be limited to companies and organizations that participated in at least one of the five original SAM working groups. The AESO has consolidated the SAM working groups into the following three CMD working groups:

- 1) **Design Working Group:** This working group will focus the majority of its review on the technical capacity market design, which excludes the scopes of review being undertaken by the Energy and Ancillary Services working group and Technical working group described below.
- 2) **Energy and Ancillary Services Working Group:** This working group will focus the majority of its review on the changes that may be required to the energy and ancillary services markets as a result of the introduction of the capacity market, including changes that may be required due to an expected increase in variable generation and other supply fleet changes.
- 3) **Technical Working Group:** This working group will focus the majority of its review on how parameters for the capacity market will be modelled or otherwise quantitatively determined.

4. Working group process

The working groups will have the opportunity to review four (4) drafts of the CMD between January and June 2018 as per the AESO's [CMD Engagement Schedule](#). After each draft of the CMD is completed, the AESO will invite the working group members to provide input via:

- Their participation in working group sessions, which will be used by the AESO to gather information and feedback on key areas of the technical design; and
- The provision of written feedback, which will be used by the AESO to gather input on both specific questions posed by the AESO and the CMD more broadly.

4.1 Discussion materials for working group sessions

The AESO will post session agendas and other discussion materials for working group sessions at least five (5) business days in advance of each working group session. Discussion materials may include presentations, reports or other documentation which AESO Leads judge to be relevant to discussions in working group sessions or otherwise useful for working group members to consider. Working group members may submit materials to AESO Leads for their consideration as discussion materials in working group sessions. The AESO Lead will have sole discretion in determining whether such materials are provided to working group members. Should such materials be accepted all such materials will be posted to [aeso.ca](#) and the working group SharePoint site.

4.2 Working group sessions

Working group sessions will examine content related to CMD. These sessions will be facilitated discussions and may incorporate polling and targeted questions. Summaries of the working group sessions will be prepared and posted to [aeso.ca](#) and CMD working group SharePoint site within three (3) business days following the last working group session. Summaries are anticipated to include the following information:

- Agenda items discussed;
- Key considerations raised;
- Polling results, if applicable. Outcomes will be recorded. Note that positions taken by working group members will not be attributed to members; and
- Action items.

4.3 Working group members' written feedback

The AESO will request written feedback through a comment matrix provided to working group members within one (1) business day following each in-person session. The AESO will review written feedback received and consider it in the development of subsequent CMD drafts. However, at this time the AESO does not intend to respond to individual submissions and/or each discrete comment within such submission. The AESO may also use electronic surveys to gather feedback from working group members. All feedback will be posted on [aeso.ca](#) and the working group SharePoint site one (1) after the feedback deadline.

In contrast to the SAM working group process, written comments provided as part of the CMD working groups may be attributed by the AESO to the working group member who provided them.

4.4 Roles and responsibilities

The working groups will not be decision-making bodies. Working group engagement will be guided by the [desired end state, criteria and assumptions](#) finalized on May 2, 2017. All members of the working groups will be expected to adhere to the [AESO's Engagement Principles](#).

4.4.1 Working group members

Working group members will be responsible for:

- Reviewing drafts of the CMD;
- Reviewing all discussion materials distributed in advance of the in-person sessions;
- Attending working group sessions in person;
- Fully participating in working group session discussions; and
- Providing written feedback through a comment matrix or a survey, or both, within four (4) business days of receiving a comment matrix or survey from the AESO.

Working group members will not be permitted to present at working group sessions.

Delegates may be permitted to attend working group sessions in place of working group members in exceptional circumstances. However, permission will be granted at the discretion of the AESO Lead. All delegates are expected to be fully prepared to participate in the working group sessions they attend.

4.4.2 AESO working group leads

An AESO Lead has been assigned to each working group. The AESO Lead will be responsible for the following:

- Developing agendas and discussion materials. These materials will be provided to working group members at least five (5) business days in advance of the working group sessions;
- Responding to questions raised by working group members to the best of their ability and knowledge; and
- Drafting meeting summaries.

During the sessions, the AESO Lead may limit discussion on topics at his or her discretion. Additionally, AESO Leads will abstain from any polls taken during working group sessions.

4.4.3 Facilitator

Each working group session will be facilitated. The Facilitator will be responsible for the following:

- Assisting the AESO Lead achieve his or her objectives for working group sessions;
- Managing time allocated to agenda items; and
- Ensuring each working group members have reasonable opportunities to participate in working group discussions.

The Facilitator will also be expected to assist the AESO Lead in planning the working group sessions and drafting the summaries.

4.4.4 AESO representatives

AESO representatives, or third parties acting on behalf of the AESO, may attend working group sessions and participate in working group discussions. Such individuals will not, however, participate in polling (if applicable).

4.4.5 The AESO

The AESO will manage the logistics for all working group sessions. The AESO will also be responsible for posting the following items to both aeso.ca and the working group SharePoint site:

- All drafts of the CMD;
- All working group session materials, including agendas, presentations or other discussion materials and session summaries; and
- Written feedback received from working group members.