

|  |   |
|--|---|
| <p>Date of Request for Comment: <u>April 7, 2017</u></p> <p>Period of Comment: <u>April 7, 2017</u> through <u>May 5, 2017</u></p> <p>Comments From: <u>Canadian Wind Energy Association</u></p> <p>Date [yyyy/mm/dd]: <u>2017/05/05</u></p> | <p><b>Contact:</b> <u>Evan Wilson</u></p> <p><b>Phone:</b> <u>(587) 316-8855</u></p> <p><b>Email:</b> <u>evanwilson@canwea.ca</u></p> |
|--|---|

Listed below is the summary description of changes for the proposed amended Section 304.3. Please refer back to the Letter of Notice under the “Attachments to Letter of Notice” section to view the actual proposed content changes to the ISO rules. Please place your comments/reasons for position underneath (if any).

| 1. ISO Rules   | Market Participant Comments and/or Alternate Proposal  |
|--|--|
| <p><b>Amended</b></p> <p>The AESO is seeking comments from market participants with regard to the following matters:</p> <ol style="list-style-type: none"> <li>Do you agree or disagree with the proposed Amended Section 304.3? If you disagree, please provide comments.</li> <li>Are there any subsections where the language does not clearly articulate the requirement for either the AESO or a market participant? If yes, please indicate the subsections and suggest language that would improve the clarity.</li> </ol> | <p><i>Comment # 1:</i></p> <p>1. Our primary concerns are with respect to the proposed changes to Sections 5(1) and 5(2) of ISO Rule 304.3. It is our understanding that there are two consequences to these amendments. First, the AESO will no longer provide transparency around minimum levels for the wind power limit, and, second, a power limit will <i>always</i> be in effect at all non-exempt facilities. Given that the Renewable Electricity Supply Agreement (RESA) terms do not protect developers against curtailments under this rule, we have concerns that these amendments will expose developers to ongoing curtailment risk. Additionally, given that the limit will always be in effect, it is also likely to increase the potential amount of curtailment that should be expected by any generators.</p> <p>We expect these increased continuous curtailment risks because a system wind power limit that is continuously in place does not allocate any value to diversity in the wind fleet. Instead, it will manage individual generators on the presumption that all facilities are perfectly correlated.</p> <p>Given these changes, it is our understanding that the AESO is taking a proactive approach to limiting renewable generation, even in the absence of a system condition that requires a limitation. To illustrate, allow us the following example: if wind facility A ramps up rapidly while facility B ramps down at a similar rate, the net impact on the system is minimal. Under the current Rule, which would manage this behavior, directives are issued only when system conditions indicate a potential inability to manage the system with the merit order, and the example would be permissible. Under the proposed Rule, it is expected that facility A would be limited from ramping up, despite the absence of any overall problem.</p> |

|  |  |
|--|--|
|  | <p>CanWEA members request that they AESO continue to rely on only sending the limit when there is an issue. Otherwise, if they are overly concerned, it is recommended that they move to shorter intervals, as 5 minute intervals could address these issues if the concern is extremely minimal. It is assumed that facilities have automated receipt of the limit in any event but we request confirmation as they will now be getting 24,000 instructions per year as opposed to some much smaller number.</p> <p>To review, CanWEA members request clarity regarding the following issues:</p> <ol style="list-style-type: none"> <li>1. The rationale for removing transparency in the rule with respect to minimum system capability;</li> <li>2. Guidance for expected system capability that will allow the risk of curtailment under this rule to be assessed;</li> <li>3. The rationale for having the system limit in place at all times along with any support based on experience to date that the current Rule is not sufficient to maintain reliability;</li> <li>4. The expected frequency of revising the limit in the event it becomes binding on some facilities despite the lack of an overall system problem; and</li> <li>5. Guidance on mechanisms that the AESO will use to minimize the amount of renewable energy spilled with no corresponding system need.</li> </ol> <p>2. We do not request clarity on any language, but, rather, with regards to the questions and rationales provided above.</p> |
|--|--|