

Market Participant Comment Matrix – September 28, 2017



Proposed Amended Section 205.5, *Spinning Reserve Technical Requirements and Performance Standards* (“amended Section 205.5”)

Date of Request for Comment: <u>September 28, 2017</u>	Contact: <u>Grant Berry</u>
Period of Comment: <u>September 28, 2017</u> through <u>October 13, 2017</u>	Phone: <u>780-392-5294</u>
Comments From: <u>Capital Power</u>	Email: <u>gberry@capitalpower.com</u>
Date [yyyy/mm/dd]: <u>2017/10/13</u>	

Listed below is the summary description of changes for the proposed amended Section 205.5. 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).

ISO Rules	Market Participant Comments and/or Alternate Proposal
Amended The AESO is seeking comments from market participants with regard to the following matters: 1. Do you agree or disagree with the proposed amended Section 205.5? If you disagree, please provide comments. 2. 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.	<p>1. Capital Power disagrees with the proposed amendments to Section 205.5. While Capital Power supports the overall intention of the proposed amendments, which it understands to be aimed at ensuring that participation in Alberta’s operating reserve market remains competitive and technology neutral, it is concerned that changes to the language used in Section 205.5 may have broader implications for market participants than described by the AESO in its September 28 Letter of Notice. Further information is required to understand the rationale for such changes and assess the impacts on market participants. Additional comments are provided below.</p> <p><u>Changes to Dispatch Performance Requirements</u></p> <p>Capital Power is concerned that proposed changes to the language used to describe dispatch performance requirements under new Section 205.5 subsection 5 [existing Section 205.5 subsection 6(1)] may alter the financial liability of market participants providing spinning reserves in the event the prescribed requirements are not met. The existing Section 205.5 subsection 6(1) states that “[a] pool participant will not be paid for spinning reserve unless the pool participant ensures” that it meets the requirements. The new Section 205.5 subsection 5 states that a market participant “must ensure” that it meets the requirements listed in subsections 5(1) and 5(2). It also retains the language [see 5(3)] that “[a] pool participant will not be paid for spinning reserve unless the pool participant ensures” that it meet the requirements set out in subsections 5(1) and 5(2).</p> <p>Based on this change in language, it is unclear to Capital Power whether under the new Section 205.5, market participants not meeting the requirements would simply not be paid (as exists today) or whether additional specified penalties would be assessed on top of payment forfeiture. The proposed change in language may alter the risk profile and compliance plans for market participants</p>

	<p>providing spinning reserves. Please clarify the intent of this change and the AESO's rationale.</p> <p>2. In addition to the comments above, Capital Power seeks the following clarification regarding requirements outlined under the new Section 205.5 subsection 5(1):</p> <p>Does "the real power set out in the dispatch" referenced in 5(1) refer to the real power output of the operating reserve dispatch or the energy dispatch? Please confirm.</p>
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