

Stakeholder Comment Matrix – March 28, 2019



Draft Proposed New ISO rule “Waivers and Variance Rule”

<p>Period of Comment: March 28, 2019 through April 12, 2019</p> <p>Comments From: ENMAX Corporation</p> <p>Date [yyyy/mm/dd]: 2019/04/10</p>	<p>Contact: Rose Ferrer</p> <p>Phone: 403-514-3886</p> <p>Email: RFerrer@enmax.com</p>
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Further to the next steps identified at the Stakeholder Session held on February 4, 2019, the ISO is requesting feedback on the items below. Please place your comments/reasons for position underneath (if any).

Item #		Stakeholder comments
1	<p>Applicability</p> <p>Whether you agree that a <i>Waiver and Variance Rule</i> should be applicable to electricity market participants and the ISO, and why or why not.</p>	<p>ENMAX agrees that a <i>Waiver and Variance Rule</i> should be applicable to electricity market participants (as defined in the <i>Electric Utilities Act</i>) and the ISO.</p>
2	<p>Scope</p> <p>Whether you agree that a request for a waiver or variance should be available for the Division 502 – Technical Requirements, Section 304.3, <i>Wind and Solar Power Ramp Up Management</i> and Section 304.9, <i>Wind and Solar Aggregated Generating Facility Forecasting</i>, and why or why not.</p>	<p>ENMAX agrees that a request for a waiver or variance should be available for the noted rules. ENMAX also suggests that a request for a waiver or variance should be considered available for other rules as needed, specifically operational related rules. This will provide the AESO with flexibility should an existing or new ISO rule warrant a waiver or variance in the future.</p>

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3	<p>Grounds for requesting a waiver or variance</p> <p>Whether you agree that the grounds for requesting a waiver or variance should include one or more of the following circumstances where compliance with the requirements of the subject ISO rule:</p> <ul style="list-style-type: none"> (a) is not technically possible or is precluded by technical limitations; (b) is operationally infeasible; (c) cannot be achieved by the required compliance date regardless of good faith efforts by the market participant; (d) would pose safety risks or safety issues; (e) would conflict with a separate statutory or regulatory requirement that is applicable and cannot be waived or exempted; and (f) would require the incurrence of significant unnecessary costs or severe economic hardship. <p>Which grounds and why or why not?</p>	<p>ENMAX agrees that at a minimum, the grounds should include all of the circumstances listed. In relation to 3(f), the incurrence of significant and/or unnecessary costs has been a concern in the past and it is important that costs be a consideration for all participants when considering a waiver or variance.</p> <p>In addition, ENMAX is of the view that the following are grounds for requesting a waiver or variance:</p> <ul style="list-style-type: none"> • Timing should be included as a factor to consider when requesting a waiver or variance. For example, an asset that is nearing its end of life should have the ability to request a waiver or variance. • A grandfathering strategy should be included. If a facility requires costly upgrades in order to comply, the unit could be grandfathered until such time as the unit requires an upgrade. • If a major upgrade or testing is scheduled in the coming years, which would allow the participant to include the required work at the scheduled time, then the ability to request a waiver or variance (postpone the compliance date) should be included. • Scheduling maintenance and outages on plants can become extremely costly (costs related to the market, the operational state of the unit, and the dedicated resources). As such, these factors should be included as acceptable grounds for requesting a waiver or variance.

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4	<p>Criteria for evaluating a request</p> <p>Whether you agree that the criteria the AESO should use to evaluate requests for a waiver or variance should include one or more of the following:</p> <ul style="list-style-type: none"> (a) technical feasibility; (b) operational feasibility and burden; (c) safety; (d) economics (including significant unnecessary costs to the applicant, or unfair costs to other market participants); (e) material impacts on a fair, efficient, openly competitive market; (f) whether appropriate mitigation measures, mitigation plans, or remediation plans can be or are put in place; (g) reliability of the Alberta interconnected electric system; and (h) public interest. <p>Which criteria and why or why not?</p>	<p>Regarding what the AESO should use to evaluate a request for a waiver or variance, ENMAX agrees with the criteria listed.</p>

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5	<p>Submission of information</p> <p>Whether you agree that the applicant must:</p> <ul style="list-style-type: none"> (a) make a request for a waiver or variance to the AESO in writing; (b) use the form the AESO specifies (which will require the submission of all relevant information – e.g. facility details, the relevant ISO rules and requirements, the grounds for the request and information that will allow the AESO to effectively assess the request based on the criteria for granting a request); and (c) respond to requests from the AESO for additional information, studies or analysis; <p>and why or why not.</p>	<p>ENMAX agrees with the submission of information process. ENMAX supports using a form as specified by the AESO, as it will ensure that all required information is submitted accurately, which will assist in a timely review by the AESO.</p>
6	<p>Evaluation process</p> <p>Whether you agree that the process for waivers and variances should be:</p> <ul style="list-style-type: none"> (a) submission of a written request; (b) acknowledgement of receipt; (c) information requests, as necessary, and applicant responses; (d) updates on progress; (e) written decision; and (f) if denied, reasons/rationale; <p>and why or why not.</p>	<p>ENMAX agrees on the evaluation process.</p> <p>ENMAX is of the view that if the AESO is considering denying a request, the AESO should ensure they have provided the participant with an opportunity to discuss or provide additional information to support the request.</p> <p>ENMAX suggests that a commitment of time for the AESO to respond to a request would be appropriate, for example ~30 days. In order for participants to respond accordingly (based on the AESO's decision), it could impact maintenance, outages, and business operations at a facility.</p>

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7	<p>Content of a waiver or variance</p> <p>Whether you agree that the content of an approved waiver or variance must include an effective date and any of the following as applicable:</p> <ul style="list-style-type: none"> (a) conditions; (b) expiry date; (c) milestones for mitigation or remediation plans; and (d) reporting requirements; <p>and why or why not.</p>	<p>ENMAX agrees on the content of the approved waiver or variance.</p>
8	<p>Ongoing Management</p> <p>Whether you agree that the following should apply to the ongoing management of granted waivers and variances:</p> <ul style="list-style-type: none"> (a) the applicant must notify the AESO of a material change to the facts or circumstances underlying the approval of the waiver or variance; (b) the AESO may amend or revoke a waiver or variance with at least 30 days' notice if there is a material change to the facts or circumstances underlying the approval of the variance; and (c) waivers and variances may be transferred to a new legal owner; <p>and why or why not.</p>	<p>ENMAX feels that 30 days notice may not be sufficient in all circumstances. The notice period should be fair and subjective based on the changes required to comply. For example, if material changes required maintenance or purchase of equipment, 30 days may not be sufficient time.</p> <p>In ENMAX's view, a transfer of ownership should not preclude an approved waiver and variance.</p>

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9	<p>Confidentiality of requests and decisions</p> <p>Whether you agree that requests for a waiver or variance, and any resulting decision should remain confidential, subject to Section 103.1 of the ISO rules, <i>Confidentiality</i>, and why or why not.</p>	<p>ENMAX feels that if a request and resulting decision could assist other participants in their endeavor to comply with certain rules, and in the interest of ensuring a level playing field and transparency of market information, the AESO should make that information public. However, there would be no benefit or reason of including the participant's identity in the public notice, but rather just the information related to the request and decision.</p>
10	<p><i>Treatment of waivers and variances language in current ISO rules</i></p> <p>Which of the following 3 options you support, if any, for dealing with the waivers and variances language in current ISO rules, why or why not, or suggestions for alternative options.</p> <p><i>Issue:</i></p> <p>Various waivers and variances language is currently found in the majority of Division 502 ISO rules, including:</p> <p>"2(2) The functional specification referred to in subsection 2(1) must be generally consistent with the provisions of this section 502.X, but may contain material variances approved of by the ISO based upon its discrete analysis of any one or more of the technical, economic, safety, operational and reliability requirements of the interconnected electric system related to the specific facility project."</p> <p><i>Options:</i></p> <p>The AESO is of the opinion that there are 3 main options for dealing with this language.</p> <ol style="list-style-type: none"> 1. Leave the current language in the ISO rules. As long as there is no conflict, duplication is not problematic. 2. Amend the ISO rules over time. As long as there is no conflict, duplication is not problematic. However, for the sake of clarity and consistency, when the subject ISO rules are open under other future 	<p>ENMAX suggests option 3.</p>

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	<p>development initiatives, the AESO should propose the removal of the duplicate provisions.</p> <p>3. Amend in conjunction with the proposed new ISO rule and propose the deletion of the duplicate provisions. While duplication is not problematic, for the sake of clarity and consistency, the AESO would propose to delete the waivers and variances language in the Division 502 ISO rules at the same time as making the application for approval of the proposed Waivers and Variances Rule.</p>	
11	<p>Other</p> <p>Please provide any other feedback or suggestions you have on the proposed Waiver and Variance Rule.</p>	<p>Other rules should not be excluded from requesting a waiver and variance. ENMAX understands that some rules may not be considered for obvious reasons, however, by keeping the intent at a high level for consideration, it allows for flexibility in the future for both the AESO and participants.</p>

Information Document - The AESO intends to develop an information document to accompany the proposed Waiver and Variance Rule. At a minimum, the AESO suggests that such an information document would contain a template submission form, contact information, and examples of the eligible grounds and criteria. Please provide your views on the type of content that should be included in an information document associated with the proposed Waiver and Variance Rule.