

Proposed New Set 1 and 2 Capacity Market Terms and Definitions

Period of Comment:	September 21, 2018	through	October 9, 2018	Contact:	Sarah Griffiths
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Please provide comments relating to the proposed term and definition in the corresponding box. Please include any views on whether the language clearly articulates the purpose of the term and provide any proposed alternative wording by blacklining the proposed language below.

Proposed Terms and definitions	Stakeholder comments
<p>“aggregated load asset” means an asset that is made up by a portfolio of load contributors.</p>	<p>Enel X recommends that a new term and definition be included to identify aggregated load assets. As per previously filed comments by EnerNOC, aggregators that work with load contributors follow a prospective forward approach to building a portfolio. Similar to a new generation asset being built during the forward commitment period, portfolios will also be built during this time. Milestones will also be met before the second rebalancing auction, such as the demonstration a portfolio can meet their commitment. The AESO has recognized that a “generating unit” is different from an “aggregated generating facility”, so is an “aggregated load asset” different from a load asset. While a load asset can declare an uniform capacity value based on its current operation, an “aggregated load asset” will not be able to until it builds its portfolio, which based on industry worldwide standards, occurs during the forward period.</p>
<p>“base auction” means the first auction for capacity for an obligation period.</p>	
<p>“capacity” as defined in the Act, with respect to the capacity market means the ability to supply electric energy or reduce electric energy consumption as measured in MW.</p>	

Proposed Terms and definitions	Stakeholder comments
<p>“capacity block” means one of the price and quantity pairs the ISO allocates to an asset for a base auction or rebalancing auction for the purposes of submitting an offer or bid in the capacity market.</p>	
<p>“capacity commitment” means an obligation to deliver, during an obligation period, a volume of an offer that has cleared in a base auction or a rebalancing auction.</p>	
<p>“capacity market participant” means a person registered with the ISO in accordance with Section 201.10 of the ISO rules, <i>Capacity Market Participant Registration</i>, for the capacity market.</p>	
<p>“delist outage” means a derate or an outage for a source asset or load sink asset associated with a temporary delist referred to in section 206.9 of the ISO rules, <i>Delisting</i>.</p>	
<p>“electricity market participant” as defined in the Act, means</p> <ul style="list-style-type: none"> (i) any person that supplies, generates, transmits, distributed, trades, exchanges, purchases or sells electricity, electric energy, electricity services or ancillary services, or (ii) any broker, brokerage or forward exchange that trades or facilitates the trading of electricity, electric energy, electricity services or ancillary services. 	
<p>“firm consumption level” means that a load asset or aggregated load asset will consume a maximum volume of energy in MW during supply shortfall in an obligation period.</p>	

Proposed Terms and definitions	Stakeholder comments
<p>“guaranteed load reduction” means that a load asset or aggregated load asset will reduce consumption by a volume of energy in MW.</p>	
<p>“new capacity” means capacity from an asset:</p> <ul style="list-style-type: none"> (i) that has not had an offer clear in a base auction or rebalancing auction; and (ii) in the case of a generating unit or aggregated generating facility, that has not completed energization and commissioning prior to the obligation period or in the case of an “aggregated load asset”, has not completed its portfolio prior the obligation period. 	<p>Based on comments previously submitted, that outline how aggregators of loads participate in qualification, a line should be added to (ii) to recognize that aggregated load portfolios will not be built prior to the obligation period</p> <p>(ii)or in the case of an “aggregated load asset”, has not completed its portfolio prior the obligation period.</p> <p>A new term/definition should be added that includes “aggregated load asset” to recognize this type of resource similar to an aggregated generating facility.</p>
<p>“obligation period” means a 12 month period running continuously from November 1 to October 31 of the following year.</p>	
<p>“rebalancing auction” means an auction for capacity conducted after a base auction for an obligation period.</p>	
<p>“transmission market constraint” means an exceedance of a reliability limit on 1 or more elements of the transmission system, where:</p> <ul style="list-style-type: none"> (i) the ISO must take action to prevent or mitigate the exceedance; and (ii) results in an impact to the normal economic merit operation of generation, load, or interchange transactions, <p>excluding a circumstance where the capability limits referenced in Section 303.2 of the ISO rules, <i>Available Transfer Capability</i> are exceeded.</p>	

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<p>“uniform capacity value” means a uniform measure, in MW, of an asset’s ability to provide capacity.</p>	

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 ISO rule definitions] relates to the capacity market and why or why not	
2	whether you agree that [the proposed ISO rule definitions] 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 ISO rule definitions] and whether, in your view, [the proposed ISO rule definitions] meets the objective or purpose	
4	how, in your view, [the proposed ISO rule definitions] affects the performance of the capacity market and the electricity market	<p>“aggregated load asset” - The proposed definition submitted by Enel X will ensure the participation of aggregators that bid portfolios into the capacity auction based on a portfolio of load assets. Based on the proposed rules, this resource should have its own definition similar to the difference between a generation asset and an aggregated generation asset. This resource, similar to others, has unique features that can be accommodated in the market rules, but which does not give it an advantage over other resources.</p>
5	your views on any analysis conducted or commissioned by the AESO supporting [the proposed ISO rule definitions]	
6	whether you agree with [the proposed ISO rule definitions] taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	<p>“aggregated load asset” - By not including a definition of aggregated load assets and by keeping the treatment similar to a single load asset, the market will lose an important resource that is cost-effective. By excluding this resource, the principle of a fair, efficient and openly competitive market will not be followed.</p>
7	whether you would suggest any alternatives to [the proposed ISO rule definitions]	<p>“aggregated load asset” - An additional definition/term has been included</p>
8	whether you agree that the proposed provisional rule definitions supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	<p>“aggregated load asset” – by including this new term/definition and including the recommended rule changes as previously submitted, a reliable supply of electricity will be maintained, but with the participation of more cost-effective resources which supports the public interest. With the inclusion of “aggregated load assets” in the capacity auction, a more expensive capacity product will be procured, which goes against the public interest.</p>

Item #		Stakeholder comments
9	whether you agree that the proposed provisional rule definitions supports the public interest and why or why not	