

## Stakeholder Comment Matrix – December 3, 2020

### Proposed Final Draft of Section 505.2 of the ISO Rules, Performance Assessment for Refund of Generating Unit Owner's Contribution ("Section 505.2")



**Period of Comment:** December 3, 2020 through January 8, 2021

**Comments From:** Heartland Generation Ltd. (HGL)

**Date [yyyy/mm/dd]:** 2021/01/08

**Contact:** Nick Jansen

**Phone:** 587-581-5905

**Email:** Nick.jansen@heartlandgeneration.com

#### Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the *Letter of Notice of Proposed Final Draft of Amended Section 505.2*, under the "Related Materials" section, to view the final draft proposed materials on amended Section 505.2.
3. On the sections of the rule listed below, please provide your specific comments, proposed revisions, and reasons for your position underneath (if any). Blank boxes will be interpreted as favourable comments.
4. Please be advised that general comments do not give the AESO any specific issue to consider and address, and results in a general response.

Question	Stakeholder Comments
<b>Performance Assessment</b>	
<b>2(1)</b> The ISO must assess the performance of a <b>generating unit</b> or <b>aggregated generating facility</b> as follows:  (a) subject to subsection 2(b), if the <b>revenue meter</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> recorded zero metered energy in all <b>settlement intervals</b> during the previous calendar year, the performance factor is 0%;	

Question	Stakeholder Comments
<p>(b) for a site with 1 or more onsite <b>generating units</b> or <b>aggregated generating facilities</b> that supply electric energy for 1 or more onsite load assets and offers excess generation to the energy market on a net basis, if the <b>revenue meter</b> recorded zero metered energy in all <b>settlement intervals</b> because load growth at the site resulted in no export to the <b>interconnected electric system</b>, the performance factor is 100%; and</p> <p>(c) in all other cases, the performance factor is 100%.</p>	<p>It is unclear why 2(1)(b) requires that a generator be <b>offered</b> on a “net basis” as a prerequisite for receiving a 100% performance factor in the event of co-located load growth. Presumably, the way the generator offers – net or gross – is irrelevant to its metered energy and whether it indicates any net export. It therefore seems sensible to remove this requirement from the section, as follows:</p> <p>“for a site with 1 or more onsite generating units or aggregated generating facilities that supply electric energy for 1 or more onsite load assets <del>and offers excess generation to the energy market on a net basis</del>, if the revenue meter recorded zero metered energy in all settlement intervals because load growth at the site resulted in no export to the interconnected electric system, the performance factor is 100%; and”</p>
<p><b>(2)</b> The <b>ISO</b> must assess a performance adjustment factor for a <b>generating unit</b> or <b>aggregated generating facility</b> in accordance with the following formula if, based on the <b>ISO</b>’s most recent information at the time of the performance assessment, energized MC is not equivalent to critical MC:</p> $\text{performance adjustment factor} = \frac{\text{ABS}(\text{critical MC} - \text{energized MC})}{\text{critical MC}}$ <p>where:</p> <p>(a) ABS is absolute value;</p> <p>(b) critical MC is, subject to subsection 2(3), the <b>maximum capability</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> used to calculate the contribution of the <b>legal owner</b> of a <b>generating unit</b>; and</p> <p>(c) energized MC is, subject to subsection 2(3), the <b>maximum capability</b> of the <b>generating unit</b> or <b>aggregated</b></p>	<p>It would be helpful for the AESO to explain the rationale behind the calculation of the performance adjustment factor. The last draft of the rule said that a penalty factor would only be assessed if the energized MC is less than the critical MC; given that the AESO has chosen to retain the absolute value formula and drop the “less than” criteria, it would be useful to understand why, and whether penalizing in the “less than” case follows the same or different rationale as penalizing in the “more than” case.</p>

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<p><b>generating facility</b> that the <b>legal owner</b> submits to the <b>ISO</b> in accordance with the applicable <b>pool asset</b> registration process.</p>	
<p><b>(3)</b> The <b>ISO</b> must, if the <b>legal owner</b> of the <b>generating unit</b> or <b>aggregated generating facility</b> updates the critical MC or energized MC of the <b>generating unit</b> or <b>aggregated generating facility</b> with the <b>ISO</b> on or before October 30 of the year before the refund calculation, adjust critical MC or energized MC in the application of the formula in subsection 2(2) based on the information the <b>legal owner</b> provides.</p>	<p>It would be helpful for the AESO to explain why it chose October 30 and not December 31, given that the refund is assessed for the previous calendar year.</p>
<p><b>Refund of Generating Unit Owner’s Contribution</b></p>	
<p><b>3</b> The <b>ISO</b> must calculate a refund for each calendar year during the refund period as follows:</p> $\text{refund} = (\text{annual amount} \times \text{performance factor}) \times (1 - \text{adjustment factor})$ <p>where:</p> <ul style="list-style-type: none"> <li>(a) annual amount is as specified in the <b>ISO tariff</b>;</li> <li>(b) performance factor is the performance factor assessed in accordance with subsection 2(1) for the calendar year; and</li> <li>(c) adjustment factor is the performance adjustment factor calculated in accordance with 2(2).</li> </ul>	

Question	Stakeholder Comments
<b>Preliminary Refund Assessment</b>	
<p><b>4</b> The <b>ISO</b> must provide a preliminary refund assessment, along with relevant input data, to the <b>legal owner</b> of a <b>generating unit</b> or an <b>aggregated generating facility</b> by January 31 of the year following the calendar year to which the refund relates.</p>	
<p>Any additional comments regarding the proposed final draft of Section 505.2?</p>	