

Information Documents are not authoritative. Information Documents are for information purposes only and are intended to provide guidance. In the event of any discrepancy between an Information Document and any Authoritative Document(s)¹ in effect, the Authoritative Document(s) governs.

1 Purpose

This Information Document relates to the following Authoritative Documents:

- Section 103.4 of the ISO rules, *Power Pool Financial Settlement* (“Section 103.4”);
- Section 201.5 of the ISO rules, *Energy Market Block Allocation* (“Section 201.5”);
- Section 201.7 of the ISO rules, *Dispatches* (“Section 201.7”);
- Section 203.1 of the ISO rules, *Offers and Bids for Energy* (“Section 203.1”); and
- Section 203.6 of the ISO rules, *Market Requirements for Interchange Transactions* (“Section 203.6”).

The purpose of this Information Document is to provide information with respect to the participation of import assets and export assets in the Alberta energy market.

2 Intertie Participation in the Energy Market

2.1 Section 201.5 of the ISO rules, *Energy Market Block Allocation*

All importers and exporters will receive a single priced import or export asset respectively, with 7 price-quantity pairs per interconnection to be used to offer or bid into the energy market.

2.2 Section 203.1 of the ISO rules, *Offers and Bids for Energy*

- (a) As is the current practice, a pool participant will submit, for all forms of import and export assets, their respective offers or bids into the energy market for a given settlement interval no later than 2 hours prior to the start of the settlement interval via the Energy Trading System.
- (b) Importers and exporters may submit offers and bids between \$0.00 and \$999.99.
- (c) The sum of all offer block volumes for an import must be equal to the asset's maximum capability as submitted in the Energy Trading System. A pool participant may, when submitting an *Asset Addition Form* to the AESO in respect of an interchange asset, indicate the maximum capability it intends to flow using that asset, but to a level no greater than the capability of the respective intertie.
- (d) The available capability declarations of a pool participant with an import asset will limit the obligations of the pool participant to only the offer block volume the pool participant wishes to transact, subject to the capacity commitment requirements set out in subsection 6(b)(i) of Section 203.1. For example, a pool participant may have set-up a 200 MW maximum capability import asset on the British Columbia intertie and the pool participant will be required to submit offers up to 200 MW in the Energy Trading System for all settlement intervals. If, prior to T-2 of the settlement interval:
 - (i) the asset does not have a capacity commitment, the pool participant may submit an available capability of 0 MW in hours it does not wish to transact prior to T-2; or
 - (ii) the asset has a capacity commitment, 20 MW for example, then the pool participant is required to submit an available capability of 20 MW or greater in all hours, unless it has an acceptable operational reason.

After T-2, the restatement obligations of Section 203.6 apply.

¹ “Authoritative Documents” is the general name given by the AESO to categories of documents made by the AESO under the authority of the *Electric Utilities Act* and associated regulations, and that contain binding legal requirements for either market participants or the AESO, or both. AESO Authoritative Documents include: the ISO rules, the Alberta reliability standards, and the ISO tariff.

2.3 Section 201.7 of the ISO rules, *Dispatches*

All import and export offers and bids will be subject to the dispatch requirements of Section 201.7, including for offers priced at \$0.00 and exports priced at \$999.99.

2.4 Section 203.6 of the ISO rules, *Market Requirements for Interchange Transactions*

- (a) Subsection 2 of Section 203.6 requires importers and exporters to make reasonable efforts to procure transmission when they have a corresponding dispatch in a settlement interval. A pool participant may meet this obligation by the use of any transmission product (e.g. firm transmission holders, non-firm transmission released). The requirement of the capacity market for having firm transmission is not duplicated in the energy market for serving any individual interchange transaction. If the pool participant elects to use another form of transmission, the AESO considers this acceptable, but the pool participant continues to bear the risk associated with ensuring it can meet its capacity obligations.
- (b) A pool participant may procure transmission for all forms of interchange transactions prior to receiving a dispatch (e.g. firm transmission holders) or subsequently (e.g. procuring non-firm transmission). The AESO expects that reasonable efforts to procure transmission will take into account scheduling practices of the relevant transmission authorities, such that pool participants without firm transmission contracts will attempt to procure non-firm transmission when non-firm is released in each respective jurisdiction.
- (c) As is the current practice, subsection 3 of section 203.6 requires importers and exporters to restate in the energy market or operating reserve market as applicable when they are unable to procure transmission service as described above. However, importers and exporters will only be required to restate if curtailed by an authority other than the AESO.
- (d) The AESO will issue dispatches for assets when their offers or bids are in merit, the same as for existing Alberta generators. The pool participant is expected to submit an e-tag as soon as practicable, such that energy will flow as soon as possible, and no later than 40 minutes from the time the pool participant received the dispatch. For example, in instances where the AESO has issued an advance dispatch, such as at 14:40 for an effective time of 15:00, the pool participant will be expected to have an e-tag start between 15:00 and 15:20.
- (e) In instances where the AESO issues an immediately effective dispatch with less than 40 minutes remaining in a settlement interval, such as at 16:30, the AESO expects that if scheduling practices of neighbouring jurisdictions allow an e-tag submission to occur for the remainder of that settlement interval (e.g. 16:45-17:00), the pool participant will submit such e-tag to flow for that remaining period, or until it receives a dispatch to stop providing electricity. In a scenario where the pool participant has either received a subsequent advance dispatch to stop providing electricity (e.g. 0 MW effective for 17:00), or has not submitted an offer or bid in the subsequent settlement interval, the pool participant is still expected to make reasonable efforts to provide electricity for the remaining duration of the existing dispatch.
- (f) Importers and exporters that submit price-taking offers (\$0) and bids (\$999.99) are permitted to submit e-tags in advance of receiving a dispatch for the applicable hour, to accommodate existing hourly scheduling practices. The AESO expects pool participants to only submit e-tags for priced offers and bids pursuant to a dispatch, as these assets cannot assure that their associated offers or bids will be in-merit until they receive a dispatch.
- (g) For an export, any reference to a dispatch in Section 203.6 is referring to the volume of export that is permitted to flow, i.e. the "target" level. The AESO will issue a new dispatch for any change to the "target" level. For example:
 - (i) a bid of 0 MW in one hour will receive a target dispatch volume of 0 MW;
 - (ii) in a subsequent hour, a bid of 100 MW, split into two operating blocks (50 MW priced at \$200 and 50 MW priced at \$500), where system marginal price is less than \$200, will receive a target dispatch instruction for 100 MW; and

- (iii) in the same hour, if the system marginal price increases to \$250, the pool asset will receive a new target dispatch instruction for 50 MW. The pool participant would be expected to adjust its e-tag to 50 MW within 40 minutes of receiving the dispatch.
- (h) Import and export priced asset blocks will set system marginal price at the effective time of the dispatch. Similar to the response of a slow ramping generator, the full MW response may not materialize for some time, but the expectation of the AESO is that the energy will be scheduled as soon as practical, within the limitations imposed by the scheduling practices of other jurisdictions – delays that are the result of tardy submission of e-tags or with a start time of the e-tag at a point later than is necessitated by such scheduling practices (e.g. start time of 14:45 when the e-tag would not have been considered late for a start time of 14:30) would not be considered as having been made as soon as reasonably practicable.

2.5 Section 103.4 of the ISO rules, *Power Pool Financial Settlement*

As is the current practice, all imports and exports will be paid based on the scheduled energy (e-tag), and not on the actual energy that flows on the interconnection.

Revision History

Posting Date	Description of Changes
	Initial release

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