

Proposed New ISO Rule – Section 103.9, *Capacity Market Financial Settlement*

<b>Period of Comment:</b>	September 7, 2018 through September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)	<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28	<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 103.9 applies to: (a) a <b>capacity market participant</b> ; and (b) the <b>ISO</b> .	No comment.
		<b>Requirements</b> <b>Currency</b>	
2		The <b>ISO</b> must determine all payments, charges, amounts and calculations under this section 103.9 in Canadian dollars.	No comment.
		<b>Adjusted Capacity Payment Amount</b>	
3		The <b>ISO</b> must, for each <b>settlement period</b> in an <b>obligation period</b> for each asset for which the ISO has determined that payments, charges, amounts or calculations pursuant to subsection 2 apply, calculate an adjusted capacity payment amount equal to the sum of the following: (a) the capacity payment, calculated in accordance with Section 103.10 of the <b>ISO rules</b> , <i>Capacity Payment Calculation</i> , subject to subsection 6;	b) IPCAA recommends that the AESO reference the Rule where the uplift payment is determined. c) The AESO should indicated that this is subject to Section 7. Is there another adjusted capacity settlement payment after the year to reflect adjustments in dispute resolution? This will be important to know in advance.

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		<p>(b) any uplift payment;</p> <p>(c) for each delivery assessment hour in such <b>settlement period</b>, any under-delivery adjustment or over-delivery adjustment, as applicable;</p> <p>(d) where that <b>settlement period</b> is the last <b>settlement period</b> in the <b>obligation period</b>, any under-availability adjustment or over-availability adjustment for the <b>obligation period</b>, as applicable, subject to subsection 7;</p> <p>(e) any adjustments to the items in subsection 3(1)(c) or subsection 3(1)(d) relating to any of the prior <b>settlement periods</b> referenced in subsection 7;</p> <p>(f) any adjustments relating to the resolution of any disputes referenced in subsections 15 or 17; and</p> <p>(g) the payment adjustment balance for the previous <b>settlement period</b>, whether or not the previous <b>settlement period</b> is in the current <b>obligation period</b> or is the last <b>settlement period</b> of the previous <b>obligation period</b>, or where the relevant <b>settlement period</b> is the first <b>settlement period</b> for that asset, \$0;</p> <p>where:</p> <p>“delivery assessment hour” means any <b>settlement interval</b> or portion thereof that is subject to an energy emergency alert;</p> <p>“over-availability adjustment” means an amount calculated pursuant to Section 206.8 of the <b>ISO rules</b>, <i>Obligation Period Performance Assessments</i> with respect to the over-availability of an asset subject to a <b>capacity commitment</b> during any <b>obligation period</b>;</p> <p>“over-delivery adjustment” means an amount calculated pursuant to Section 206.8 of the <b>ISO rules</b>, <i>Obligation Period Performance Assessments</i> with respect to the over-delivery by an asset subject to a <b>capacity commitment</b> during a delivery assessment hour;</p> <p>“payment adjustment balance” means an amount calculated pursuant to subsection 4(1) with respect to any portion of the adjusted capacity payment amount determined pursuant to subsection 3 for a <b>settlement period</b> that is not cash settled in respect of such <b>settlement period</b> but is instead recorded by the <b>ISO</b> as either an amount owing by the <b>ISO</b> to the <b>capacity market participant</b> or owing by the <b>capacity market participant</b> to the <b>ISO</b>;</p> <p>“under-availability adjustment” means an amount calculated pursuant to Section 206.8 of the <b>ISO rules</b>, <i>Obligation Period Performance Assessments</i>;</p>	

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		<p>“under-delivery adjustment” means an amount calculated pursuant to Section 206.8 of the <b>ISO rules</b>, <i>Obligation Period Performance Assessments</i>; and</p> <p>“uplift payment” means any payment determined in accordance with Section 201.13 of the <b>ISO rules</b>, <i>Capacity Market Clearing</i> if the <b>ISO</b> clears the <b>offer</b> for an asset at a price greater than the clearing price.</p>	
		<b>Net Capacity Payment</b>	
4	(1)	<p>The <b>ISO</b> must, for each <b>settlement period</b> in an <b>obligation period</b> for each asset subject to a <b>capacity commitment</b> and a positive capacity payment amount calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>, pay the <b>capacity market participant</b> an amount equal to the following:</p> <p>(a) if the adjusted capacity payment amount determined pursuant to subsection 3 is less than or equal to 0, then the payment is \$0; in which case the payment adjustment balance for the <b>settlement period</b> is equal to the adjusted capacity payment amount;</p> <p>(b) if the adjusted capacity payment amount determined pursuant to subsection 3 is greater than 0 but less than or equal to two times the capacity payment, calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>, then the payment is equal to the adjusted capacity payment amount; in which case the payment adjustment balance for the <b>settlement period</b> is equal to \$0; and</p> <p>(c) if the adjusted capacity payment amount determined pursuant to subsection 3 is greater than two times the capacity payment, calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>, then the payment is an amount equal to two times the capacity payment; in which case the payment adjustment balance for the <b>settlement period</b> is equal to that adjusted capacity payment amount less the amount of the payment.</p>	<p>a) Does this simply mean that a negative adjustment is carried forward? Can the adjustment balance get so large (negatively) that it needs to be settled? Is there a financial risk that the AESO is not addressing here?</p>
4	(2)	<p>A <b>capacity market participant</b> must, for each <b>settlement period</b> in an <b>obligation period</b> for each asset subject to a <b>capacity commitment</b> and a negative capacity payment amount calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>, pay the <b>ISO</b> an amount equal the adjusted capacity payment amount determined pursuant to subsection 3, if that amount is negative.</p>	<p>Is this a separate settlement rather than coming on the invoice? Does this payment then come off the the payment adjustment balance for the settlement period?</p>
4	(3)	<p>The <b>ISO</b> must, for each <b>settlement period</b> in an <b>obligation period</b> for each asset subject to a <b>capacity commitment</b> and a negative capacity payment amount calculated in</p>	<p>It is not clear how this can be subject to 7(1). You can only pay out what you collected, as this, in and of itself, will impact the payments. Will it not be necessary to carry balances?</p>

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		accordance with Section 103.10 of the <b>ISO rules</b> , <i>Capacity Payment Calculation</i> , pay the <b>capacity market participant</b> an amount, subject to the limitation in subsection 7(1), equal to the adjusted capacity payment amount determined pursuant to subsection 3, if that amount is positive.	Or is it simply that you can collect an over-adjustment payment from an under-adjustment payment in the same settlement period? Can the AESO provide some clarification?
		<b>Payment Adjustment Balance</b>	
5	(1)	Subject to subsection 5(2) and subsection 5(3), the <b>ISO</b> must pay the amount of any payment adjustment balance for a <b>settlement period</b> only in accordance with subsection 3, including where such <b>settlement period</b> is the first <b>settlement period</b> in the subsequent <b>obligation period</b> .	Can the adjustment balance not carry beyond the first settlement period in the next obligation period, due to disputes, metering etc.?
5	(2)	Notwithstanding subsection 5(1), the <b>ISO</b> must, if an asset has a negative payment adjustment balance and will receive a <b>capacity payment</b> for the subsequent <b>obligation period</b> that is lower than the <b>capacity payment</b> for the current <b>obligation period</b> , adjust the payment adjustment balance for that asset by an amount equal to:  the lesser of the difference between the <b>capacity payment</b> for the current <b>obligation period</b> and the <b>capacity payment</b> for the subsequent <b>obligation period</b> divided by the <b>capacity payment</b> for the current <b>obligation period</b> , or 1,  multiplied by the absolute value of the payment adjustment balance that has accrued with respect to such asset.	How does one know the subsequent capacity payment will be lower?
5	(3)	Notwithstanding subsection 5(1), if, at the end of an <b>obligation period</b> , an asset has a positive payment adjustment balance and is no longer subject to a <b>capacity commitment</b> in the next <b>obligation period</b> , the <b>ISO</b> must pay the payment adjustment balance to the <b>capacity market participant</b> over a number of <b>settlement periods</b> such that the payment for each settlement period is:  (a) equal to or less than two times the amount of the previous capacity payment for that asset from the prior <b>obligation period</b> , calculated in accordance with Section 103.10 of the <b>ISO rules</b> , <i>Capacity Payment Calculation</i> ; and  (b) subject to the limitation in subsection 7(1).	It is not clear how this is possible since the asset does not have a capacity commitment. Can the AESO clarify?
5	(4)	The <b>capacity market participant</b> must pay the amount identified in subsection 5(2) over a number of <b>settlement periods</b> such that the payment for each <b>settlement period</b> is equal to the amount of the previous capacity payment for that asset from the prior <b>obligation</b>	

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		<b>period</b> , calculated in accordance with Section 103.10 of the <b>ISO rules</b> , <i>Capacity Payment Calculation</i> .	
5	(5)	A <b>capacity market participant</b> may submit a request to pay all or a portion of an existing negative payment adjustment balance of an asset.	How would the market participant know the amount?
5	(6)	The <b>ISO</b> must, after receiving a request pursuant to subsection 5(5), issue a statement to the <b>capacity market participant</b> in the amount requested and adjust the payment adjustment balance to reflect the payment.	
		<b>New Capacity Asset – Failure to Achieve Energization and Commissioning</b>	
6	(1)	<p>The <b>ISO</b> must, if a <b>capacity market participant</b> has not achieved energization and commissioning in respect of an asset with a <b>capacity commitment</b> before the start of the <b>obligation period</b>, withhold all payments calculated in accordance with subsection 3 for that asset, subject to the following:</p> <ul style="list-style-type: none"> <li>(a) withhold from the <b>capacity market participant</b> all <b>capacity payments</b> for <b>settlement periods</b> prior to and including the <b>settlement period</b> during which energization and <b>commissioning</b> is achieved until availability assessments for the <b>obligation period</b> are performed; and</li> <li>(b) if energization and <b>commissioning</b> is achieved during such <b>obligation period</b>, pay to the <b>capacity market participant</b> all <b>capacity payments</b> less an existing negative payment adjustment balance that has been withheld from the <b>capacity market participant</b> on the <b>settlement date</b> for the last <b>settlement period</b> for the <b>obligation period</b> in which energization and <b>commissioning</b> is achieved.</li> </ul>	Is there a negative adjustment for each settlement period where the capacity asset has failed to energize? If so where is it found?
		<b>Over-Availability Adjustments and Over-Delivery Adjustments</b>	
7	(1)	The <b>ISO</b> must only make payments to the <b>capacity market participants</b> for over-availability adjustments and over-delivery adjustments from funds wholly collected by the <b>ISO</b> for under-availability adjustments and under-delivery adjustments, respectively.	If there is a dispute, is it possible that the over-availability adjustments and under-availability adjustments will not balance? Would there be a claw-back to address this situation?
7	(2)	The <b>ISO</b> must, if any amounts from under-availability adjustments or under-delivery adjustments remain with the <b>ISO</b> after funding the over-availability adjustments and over-delivery adjustments payable to <b>capacity market participants</b> in accordance with	Will this be settled in one settlement period or over several?

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		subsection 7(1), use such remaining amounts to offset capacity market costs incurred by the <b>ISO</b> to procure <b>capacity</b> .	
		<b>Post Final Adjustments</b>	
<b>8</b>		The <b>ISO</b> must not make post final adjustments to any capacity market statement or calculation in relation to any post final adjustments made pursuant to Section 103.4 of the <b>ISO rules</b> , <i>Power Pool Financial Settlement</i> .	
		<b>Preliminary Capacity Market Statement</b>	
<b>9</b>	<b>(1)</b>	The <b>ISO</b> must, no later than the close of business on the 5 <sup>th</sup> <b>business day</b> after the last day of each <b>settlement period</b> , issue a preliminary capacity market statement to each <b>capacity market participant</b> , in respect of all assets listed opposite a <b>capacity market participant</b> on the list the <b>ISO</b> publishes pursuant to Section 206.4 of the <b>ISO rules</b> , <i>Capacity Market Participant Registration</i> determined on: <ul style="list-style-type: none"> <li>(a) an initial basis for that <b>settlement period</b>;</li> <li>(b) an interim basis for that <b>settlement period</b> which is 2 <b>months</b> prior to that <b>settlement period</b>; and</li> <li>(c) a final basis for that <b>settlement period</b> which is 4 <b>months</b> prior to that <b>settlement period</b>.</li> </ul>	No comment.
<b>9</b>	<b>(2)</b>	The <b>ISO</b> must include the line items as per subsection 3(1) and any interest, late payment or other costs or charges, as applicable, under Section 103.7 of the <b>ISO rules</b> , <i>Financial Default and Remedies</i> in the preliminary capacity market statement.	No comment.
<b>9</b>	<b>(3)</b>	Subject to the provisions of Section 103.1 of the <b>ISO rules</b> , <i>Confidentiality</i> , and upon reasonable written request, the <b>ISO</b> must provide to a <b>capacity market participant</b> supporting records used in determining the line items and net amounts contained in a capacity market statement.	While it may be a rare instance, theoretically two companies could be sharing a capacity resource. Would this simply be settled as one resource and leave it up to the companies to sort out the settlement, penalties etc.?
		<b>Final Capacity Market Statement</b>	

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10	(1)	The <b>ISO</b> must, no later than the close of business on the 15 <sup>th</sup> <b>business day</b> after the end of each <b>settlement period</b> , issue a final capacity market statement to each <b>capacity market participant</b> containing the, amounts set out in the preliminary capacity market statement and determined on: <ul style="list-style-type: none"> <li>(a) an initial basis for that <b>settlement period</b>;</li> <li>(b) an interim basis for that <b>settlement period</b> which is 2 <b>months</b> prior to that <b>settlement period</b>; and</li> <li>(c) a final basis for that <b>settlement period</b> which is 4 <b>months</b> prior to that <b>settlement period</b>.</li> </ul>	No comment.
10	(2)	The final capacity market statement may also contain any updated items and information not previously appearing on the preliminary capacity market statement.	No comment.
		<b>Settlement Date and Payment Obligations</b>	
11	(1)	The <b>ISO</b> must use the 20 <sup>th</sup> <b>business day</b> following the last day of that <b>settlement period</b> as the settlement date for a <b>settlement period</b> .	No comment.
11	(2)	The <b>ISO</b> must, each January publish on the AESO website the calendar dates which are settlement dates for the current and next calendar year, being the dates for the financial settlement for the final capacity market statements.	No comment.
11	(3)	The <b>ISO</b> must, if the <b>ISO</b> owes an amount to the <b>capacity market participant</b> pursuant to subsection 4, pay that amount by the settlement date.	
		<b>Interest and Other Late Payment Costs and Charges</b>	
12		A <b>capacity market participant</b> must, if it fails to pay on or before a settlement date any outstanding <b>financial obligation</b> dollar amount owing to the <b>ISO</b> as set out in any of the <b>capacity market participant's</b> final capacity market statements, pay interest, a late payment charge, and any other costs and charges in accordance with the provisions of Section 103.7 of the <b>ISO rules</b> , <i>Financial Default and Remedies</i> .	No comment.
		<b>Method of Payment</b>	
13		A <b>capacity market participant</b> must pay an amount the <b>capacity market participant</b> owes, as set out in its final capacity market statement, to the <b>ISO</b> by the method the <b>ISO</b> specifies.	No comment.

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		<b>Prepayment Procedures</b>	
14	(1)	A <b>capacity market participant</b> may prepay by the method the <b>ISO</b> specifies at any date during a <b>settlement period</b> other than a specified <b>settlement period</b> date.	No comment.
14	(2)	The <b>ISO</b> may apply any prepayment amount against any outstanding <b>financial obligations</b> of that <b>capacity market participant</b> .	No comment.
		<b>Informal Disputes</b>	
15		If a <b>capacity market participant</b> has a dispute with the <b>ISO</b> about the content of a final capacity market statement of the <b>capacity market participant</b> prior to the <b>ISO</b> issuing that final capacity market statement on a final basis in accordance with subsection 10(1)(c), then the <b>capacity market participant</b> and the <b>ISO</b> must make reasonable efforts to informally resolve the dispute in accordance with subsection 2 of Section 103.2 of the <b>ISO rules, Dispute Resolution</b> .	No comment, subject to review of 103.2 as to transparency.
		<b>Formal Dispute Periods</b>	
16		The <b>ISO</b> must, each January, publish on the AESO website the formal dispute submission periods for each of the <b>settlement periods</b> of that calendar year.	No comment.
		<b>Capacity Market Statement Formal Disputes After Final Capacity Market Statement</b>	
17	(1)	Subject to subsection 15, a <b>capacity market participant</b> may not formally dispute a final capacity market statement for a <b>settlement period</b> until the <b>ISO</b> has issued the final capacity market statement on a final basis for that <b>settlement period</b> in accordance with subsection 10(1)(c).	No comment.
17	(2)	If a <b>capacity market participant</b> desires to proceed with a formal dispute, then the <b>capacity market participant</b> must submit a written dispute notice to the <b>ISO</b> in accordance with subsection 3 of Section 103.2 of the <b>ISO rules, Dispute Resolution</b> , prior to the expiry of the formal dispute submission period for the <b>settlement period</b> .	No comment.
17	(3)	The <b>ISO</b> must not make adjustments to any amounts of any final capacity market statement issued on a final basis unless the adjustments result from a formal dispute resolution written agreement between the <b>ISO</b> and the <b>capacity market participant</b> or from a determination under subsection 5(3) of Section 103.2 of the <b>ISO rules, Dispute Resolution</b> .	No comment.

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17	(4)	The <b>ISO</b> must, if the terms of a formal dispute have been agreed to in principle between the <b>ISO</b> and the <b>capacity market participant</b> , deliver a written agreement to the <b>capacity market participant</b> detailing the dispute resolution terms, the subject <b>settlement period</b> , a summary of adjustments, and the requirement that the <b>capacity market participant</b> confirms and agrees to the formal dispute resolution by signing and returning the written agreement to the <b>ISO</b> .	No comment.
17	(5)	A <b>capacity market participant</b> must, no later than the close of business on the thirtieth (30 <sup>th</sup> ) <b>business day</b> from the receipt of the written agreement from the <b>ISO</b> , reply by signing and accepting the written agreement and once signed and accepted and redelivered to the <b>ISO</b> , the <b>capacity market participant</b> will not have further recourse under Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> or any other legal or equitable remedy with respect to the formal dispute.	No comment.
17	(6)	The <b>ISO</b> may deem that the capacity market participant has accepted the written agreement if the <b>capacity market participant</b> fails to respond by the 30 <sup>th</sup> <b>business day</b> .	No comment.
17	(7)	The <b>capacity market participant</b> must not have further recourse under Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> , or any other legal or equitable remedy with respect to the formal dispute if the written agreement is accepted or deemed to be accepted pursuant to subsection 17(7).	No comment.
17	(8)	A <b>capacity market participant</b> may, if the <b>capacity market participant</b> rejects the written agreement by delivering a rejection notice to the <b>ISO</b> by the 30 <sup>th</sup> <b>business day</b> , seek to have the formal dispute resolved by a determination under Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> .	No comment.
		<b>Capacity Market Statement Adjustments for Resolved Disputes</b>	
18	(1)	The <b>ISO</b> must, if an informal dispute is resolved under subsection 15, adjust the final capacity market statement for that <b>settlement period</b> to include any resolved line item adjustments and the adjusted net amount payable by or to the <b>capacity market participant</b> .	No comment.
18	(2)	The <b>ISO</b> must, if a formal dispute is resolved under subsection 17, adjust the next final capacity market statement after the resolution to include any resolved line item adjustments and the adjusted net amount payable by or to the <b>capacity market participant</b> .	No comment.

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		<b>ISO Recourse to Section 103.7 of the ISO Rules, <i>Financial Default and Remedies</i></b>	
19		The <b>ISO</b> may, in the event that the <b>capacity market participant</b> fails to pay an invoice or any dollar amount under this section 103.9, deem such failure to be a <b>financial obligation</b> default event which will allow the <b>ISO</b> to have recourse to the rights and remedies of the <b>ISO</b> under Section 103.7 of the <b>ISO rules, <i>Financial Default and Remedies</i></b> .	No comment.

**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 new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because it will be necessary to settle the capacity market.
2	whether you agree that the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> should [or should not] be in effect for a fixed term and why or why not	This rule will need to be in place for a fixed term.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> and whether, in your view, the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarification is required.
4	how, in your view, the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> affects the performance of the capacity market and the electricity market	Market participants will need to be clear on settlement in order for the capacity market to perform as designed. Some clarification is required.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i>	N/A
6	whether you agree with the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i>	Please see comments above.

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires several clarifications before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	This rule requires several clarifications.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 103.9, Capacity Market Financial Settlement.***

Please see clarifications requested above.

## Proposed New ISO rule – Section 103.11, *Capacity Market Financial Security Requirements*

<b>Period of Comment:</b>	September 7, 2018 through September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)	<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28	<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

**Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.**

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 103.11 applies to: (a) a <b>capacity market participant</b> ; and (b) the <b>ISO</b> .	
		<b>Requirements</b> <b>Provision of Financial Security</b>	
2		A <b>capacity market participant</b> must provide to the <b>ISO</b> , or cause its guarantor to provide to the <b>ISO</b> , any <b>financial security</b> which it is required to provide, or requested by the <b>ISO</b> to provide, pursuant to this section 103.11.	No comment.
		<b>Financial Security – Payment Adjustment Balance Limit</b>	
3	(1)	The <b>ISO</b> may, if, at any time prior to or during an <b>obligation period</b> , the <b>ISO</b> is of the opinion that the payment adjustment balance, as determined in accordance with Section 103.9 of the <b>ISO rules</b> , <i>Capacity Market Financial Settlement</i> , in respect of any asset, may, at any time, exceed a limit calculated as follows:  <i>PAB limit</i> = the capacity payment, calculated in accordance with Section 103.10 of	No comment.

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		<p style="text-align: center;">the <b>ISO rules</b>, <i>Capacity Payment Calculation</i> for such <b>obligation period</b> * 12 *1.3</p> <p>calculate an adjustment to the amount of <b>financial security</b> which the <b>capacity market participant</b> may be required to provide to the <b>ISO</b> in respect of such <b>obligation period</b> as follows:</p> <p style="padding-left: 40px;"><i>adjusted security requirement</i> = security requirement less the total amount of <b>financial security</b> currently held by the <b>ISO</b> in respect of such asset pursuant to this subsection 3(1)</p> <p style="padding-left: 40px;">where:</p> <p style="padding-left: 40px;"><i>security requirement</i> = the greater of:</p> <p style="padding-left: 80px;">(i) the estimated payment adjustment balance less the <i>PAB limit</i>; and</p> <p style="padding-left: 80px;">(ii) \$0.</p>	
3	(2)	<p>The <b>ISO</b> may, if the amount of the adjusted security requirement determined pursuant to subsection 3(1) is a positive number, request the applicable <b>capacity market participant</b> to provide <b>financial security</b> to the <b>ISO</b> in the amount of the adjusted security requirement on or prior to the date specified in any notice to the <b>capacity market participant</b> from the <b>ISO</b>, which date shall in all events be not less than 5 <b>business days</b> following the delivery of such notice.</p>	No comment.
		<p><b>Financial Security – Change to Capacity Payment</b></p>	
4	(1)	<p>The <b>ISO</b> may, if there is any estimated change in the amount of the capacity payment, calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i> for an asset for any <b>obligation period</b>, calculate and must calculate upon any request of the applicable <b>capacity market participant</b> an adjustment to the amount of <b>financial security</b> which the <b>capacity market participant</b> may be required to provide to the <b>ISO</b> in respect of such <b>obligation period</b> as follows:</p> <p style="padding-left: 40px;"><i>adjusted security requirement</i> = security requirement less the total amount of <b>financial security</b> currently held by the <b>ISO</b> in respect of such asset pursuant to this subsection 4(1)</p> <p style="padding-left: 40px;">where:</p>	No comment.

Section	Subsection	Proposed language	Stakeholder comments
		<p style="text-align: center;"><i>security requirement</i> = the greater of:</p> <p style="text-align: center;">(i) the estimated payment adjustment balance less the PAB limit; and</p> <p style="text-align: center;">(ii) \$0; and</p> <p style="text-align: center;"><i>PAB limit</i> = the capacity payment, calculated in accordance with Section 103.10 of the <b>ISO rules, Capacity Payment Calculation</b> for such <b>obligation period</b> (which shall be \$0 if such asset is not subject to a <b>capacity commitment</b> for such <b>obligation period</b>) * 12 * 1.3.</p>	
4	(2)	<p>The <b>ISO</b> may, if the amount of the adjusted security requirement determined pursuant to subsection 4(1) is a positive number, request the applicable <b>capacity market participant</b> to provide <b>financial security</b> to the <b>ISO</b> in the amount of the adjusted security requirement on or prior to the date specified in any notice to the <b>capacity market participant</b> from the <b>ISO</b>, which date shall in all events be not less than 5 <b>business days</b> following the delivery of such notice.</p>	No comment.
4	(3)	<p>The <b>ISO</b> may, if requested by the <b>capacity market participant</b>, if the amount of the adjusted security requirement determined pursuant to subsection 4(1) in respect of an <b>obligation period</b> is a negative number, reduce the amount of <b>financial security</b> of the <b>capacity market participant</b> as of the commencement of such <b>obligation period</b> by the adjusted security requirement.</p>	No comment.
		<p style="text-align: center;"><b>Financial Security – New Capacity, Refurbished Capacity, and Incremental Capacity</b></p>	
5	(1)	<p>A <b>capacity market participant</b> must, prior to participating in a <b>base auction</b> or <b>rebalancing auction</b> and within the timelines prescribed in the <i>Capacity Market Auction Guidelines</i>, provide <b>financial security</b> to the <b>ISO</b> for the security requirement amounts determined pursuant to this subsection 5 and subsection 6, as applicable, in respect of an asset with:</p> <ul style="list-style-type: none"> <li>(a) <b>new capacity</b>;</li> <li>(b) refurbished capacity, or</li> <li>(c) incremental capacity,</li> </ul> <p>that is not energized and commissioned at the time of the <b>base auction</b> or <b>rebalancing auction</b>.</p>	<p>Can the AESO explain why it differentiating between “new”, “refurbished”, and “incremental” capacity? Does this provide any unfair advantages to one type over another? If so, what is the rationale?</p>

Section	Subsection	Proposed language	Stakeholder comments
5	(2)	<p>The <b>ISO</b> must calculate the security requirement for the volume of <b>uniform capacity value</b> from an asset with <b>new capacity</b> that a <b>capacity market participant</b> must <b>offer</b> in a <b>base auction</b> or <b>rebalancing auction</b> as follows:</p> <p><i>security requirement = (gross-CONE * 1 / CRF) * 5% * uniform capacity value</i></p> <p>where gross-CONE is from the demand curve for the applicable <b>base auction</b> or <b>rebalancing auction</b> as established in accordance with Section 207.3 of the <b>ISO rules, Shape of Demand Curve</b>;</p> <p>CRF is the capital recovery factor specified in subsection 5(3); and</p> <p><b>uniform capacity value</b> is the volume of <b>uniform capacity value</b> the <b>capacity market participant</b> must <b>offer</b> for the applicable <b>base auction</b> or <b>rebalancing auction</b>.</p>	Can the AESO explain why it based this calculation off of gross-CONE and not net-CONE?
5	(3)	<p>The <b>ISO</b> must calculate the capital recovery factor as:</p> $CRF = \frac{i(1+i)^n}{[(1+i)^n]-1}$ <p>where i is the discount rate used in the gross-CONE determination as per Section 207.3 of the <b>ISO rules, Shape of Demand Curve</b>; and</p> <p>n is a 20 year plant life.</p>	No comment.
5	(4)	<p>The <b>ISO</b> must calculate the security requirement for the volume of <b>uniform capacity value</b> from an asset with refurbished <b>capacity</b> that a <b>capacity market participant</b> must <b>offer</b> in a <b>base auction</b> or <b>rebalancing auction</b> as follows:</p> <p><i>security requirement = unit rate * escalation rate * 5% * uniform capacity value</i></p> <p>where the unit rate is \$200/kW;</p> <p>escalation rate is the current capital cost escalation rate as determined by the <b>ISO</b>;</p> <p>and</p> <p><b>uniform capacity value</b> is the volume of <b>uniform capacity value</b> the <b>capacity market participant</b> must <b>offer</b> for the applicable <b>base auction</b> or <b>rebalancing auction</b>.</p>	No comment.

Section	Subsection	Proposed language	Stakeholder comments
5	(5)	<p>The <b>ISO</b> must calculate the security requirement for the volume of <b>uniform capacity value</b> from incremental <b>capacity</b> that a <b>capacity market participant</b> must <b>offer</b> in a <b>base auction</b> or <b>rebalancing auction</b> as follows:</p> <p><i>security requirement = unit rate * escalation rate * 5% * uniform capacity value</i></p> <p>where the unit rate is \$100/kW;</p> <p>escalation rate is the current capital cost escalation rate as determined by the <b>ISO</b>;</p> <p>and</p> <p><b>uniform capacity value</b> is the volume of <b>uniform capacity value</b> from incremental <b>capacity</b> the <b>capacity market participant</b> must <b>offer</b> for the applicable <b>base auction</b> or <b>rebalancing auction</b>.</p>	No comment.
		<p><b>Financial Security – Revised Amounts</b></p>	
6	(1)	<p>The <b>ISO</b> must, following a <b>base auction</b> or a <b>rebalancing auction</b>, determine the security requirement of an asset identified in subsection 5(1) as follows:</p> <ul style="list-style-type: none"> <li>(a) \$0, if the <b>capacity market participant</b> elected to delist the entire volume of <b>new capacity</b> or refurbished <b>capacity</b> for the asset in accordance with Section 206.1 of the <b>ISO rules</b>, <i>Qualification of Capacity</i>;</li> <li>(b) \$0, if the <b>capacity market participant</b> elected to not continue with the retrofit for incremental <b>capacity</b> for the asset in accordance with Section 206.1 of the <b>ISO rules</b>, <i>Qualification of Capacity</i>;</li> <li>(c) \$0, if the <b>capacity market participant</b> failed to receive a <b>capacity commitment</b> for that asset for the applicable <b>obligation period</b>;</li> <li>(d) \$0, if such <b>rebalancing auction</b> is the last <b>rebalancing auction</b> for the applicable <b>obligation period</b> and that asset achieved energization and <b>commissioning</b>;</li> <li>(e) the amount determined in accordance to subsection 5, if the <b>capacity market participant</b> received a <b>capacity commitment</b> for that asset for the applicable <b>obligation period</b>; or</li> <li>(f) the amount determined in accordance with subsection 6(2), if applicable.</li> </ul>	No comment.

Section	Subsection	Proposed language	Stakeholder comments
6	(2)	<p>The <b>ISO</b> must, if an asset was determined to meet its critical milestones as per Section 206.5 of the <b>ISO rules</b>, <i>Forward Period Milestone Assessment</i> in advance of a <b>rebalancing auction</b>, calculate the security requirement for the <b>capacity commitment</b> which was the outcome of an <b>offer of new capacity</b>, refurbished capacity or incremental capacity that cleared a prior <b>base auction</b> or <b>rebalancing auction</b> for the applicable <b>obligation period</b>, as follows:</p> $\text{security requirement} = \text{security rate} * \text{capacity commitment} * \frac{\max\{\text{remaining auctions}, 1\}}{\text{total applicable auctions}}$ <p>where:</p> <ul style="list-style-type: none"> <li>security rate is calculated as per subsection 6(3), as applicable;</li> <li><b>capacity commitment</b> is the <b>capacity commitment</b> of the asset for the <b>obligation period</b> in respect of such <b>rebalancing auction</b>;</li> <li>total applicable auctions is the count of all <b>base auctions</b> and <b>rebalancing auctions</b>, regardless of the respective <b>obligation period</b>, from the <b>base auction</b> or <b>rebalancing auction</b> which the initial security requirement was provided pursuant to subsection 5, to the start of the <b>obligation period</b> which the initial security requirement was provided in respect of; and</li> <li>remaining auctions is the count of all <b>base auctions</b> and <b>rebalancing auctions</b>, regardless of the respective <b>obligation period</b>, from this <b>rebalancing auction</b> which the reduced security requirement is being calculated and provided for, to the start of the <b>obligation period</b> which the reduced security requirement is being calculated and provided in respect of.</li> </ul>	No comment.
6	(3)	<p>The <b>ISO</b> must calculate the security rate as follows:</p> <ul style="list-style-type: none"> <li>(a) for an asset with a <b>capacity commitment</b> based on <b>new capacity</b>: <math display="block">\text{security rate} = (\text{gross-CONE} * 1 / \text{CRF}) * 5\%</math> <p>where gross-CONE is from the demand curve for the applicable base auction or rebalancing auction as established in accordance with Section 207.3 of the <b>ISO rules</b>, <i>Shape of Demand Curve</i>; and</p> <p>CRF is the capital recovery factor specified in subsection 5(3);</p> </li> </ul>	Can the AESO explain why it based this calculation off of gross-CONE and not net-CONE?

Section	Subsection	Proposed language	Stakeholder comments
		<p>(b) for an asset with a <b>capacity commitment</b> based on refurbished <b>capacity</b>:  <i>security rate = unit rate * escalation rate * 5%</i>            where the unit rate is \$200/kW; and            escalation rate is the current capital cost escalation rate as determined by the <b>ISO</b>; or</p> <p>(c) for an asset with a <b>capacity commitment</b> based on incremental <b>capacity</b>:  <i>security rate = unit rate * escalation rate * 5%</i>            where the unit rate is \$100/kW; and            escalation rate is the current capital cost escalation rate as determined by the <b>ISO</b>.</p>	
6	(4)	The <b>ISO</b> may, following a <b>rebalancing auction</b> , adjust the amount of <b>financial security</b> a <b>capacity market participant</b> must provide to the <b>ISO</b> for an asset in accordance with the amount determined in subsection 6.	No comment.

**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 new ISO Rule – Section 103.11 <i>Capacity Market Financial Security</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because it will be necessary to specify financial security requirements.
2	whether you agree that the proposed new ISO Rule – Section 103.11 <i>Capacity Market Financial Security</i> should [or should not] be in effect for a fixed term and why or why not	This rule will need to be in place for a fixed term.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 103.11 <i>Capacity Market Financial Security</i> and whether, in your view, the proposed new ISO Rule – Section 103.11 <i>Capacity Market Financial Security</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarification is required.
4	how, in your view, the proposed new ISO Rule – Section 103.11 <i>Capacity Market Financial Security</i> affects the performance of the capacity market and the electricity market	Market participants will need to be clear on financial security for the capacity market to perform as designed. Some clarification is required.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 103.11 <i>Capacity Market Financial Security</i>	N/A
6	whether you agree with the proposed new ISO Rule – Section 103.11 <i>Capacity Market Financial Security</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 103.11 <i>Capacity Market Financial Security</i>	Please see comments above.
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires some clarification before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	This rule requires some clarification.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 103.11 Capacity Market Financial Security.***

Working examples of the various options would be helpful.

## Proposed New ISO rule – Section 103.13 *Request for Reconsideration*

<b>Period of Comment:</b>	September 7, 2018 through September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)	<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28	<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 103.13 applies to: <ul style="list-style-type: none"> <li>(a) a <b>person</b> who has received an <b>ISO</b> decision pursuant to the categories listed as <b>ISO</b> reviewable decisions in the <i>Capacity Market Regulation</i>;</li> <li>(b) the Market Surveillance Administrator; and</li> <li>(c) the <b>ISO</b>.</li> </ul>	No comment.
		<b>Requirements</b>	
		<b>Submission of Request for Reconsideration</b>	
2		A <b>person</b> or the Market Surveillance Administrator that seeks reconsideration of an <b>ISO</b> reviewable decision must, in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> a request for reconsideration.	No comment.
		<b>Content of Request for Reconsideration</b>	
3	(1)	The <b>person</b> or the Market Surveillance Administrator must ensure that the request for reconsideration:	No comment.

Section	Subsection	Proposed language	Stakeholder comments
		<ul style="list-style-type: none"> <li>(a) is signed by:               <ul style="list-style-type: none"> <li>(i) if the <b>person</b> is a corporation, an officer of the corporation;</li> <li>(ii) if the <b>person</b> is a partnership, one of its partners;</li> <li>(iii) if the <b>person</b> is an individual, the individual in their personal capacity; or</li> <li>(iv) the Market Surveillance Administrator;</li> </ul> </li> <li>(b) contains an attestation that the request for reconsideration is complete and accurate; and</li> <li>(c) is less than or equal to 10 pages in length, not including supplemental evidence.</li> </ul>	
3	(2)	The <b>ISO</b> may request that the <b>person</b> or the Market Surveillance Administrator provide additional information as it pertains to the request for reconsideration submitted in accordance with subsection 3(1).	No comment.
		<b>Request Notification</b>	
4		The <b>ISO</b> must, if a request for reconsideration is received from the Market Surveillance Administrator, within 1 <b>business day</b> of receiving the request for reconsideration, provide a copy of the request to a directly affected <b>person</b> .	This process needs to be public. Is the AESO contemplating a mechanism to inform the public that the MSA submitted a request for reconsideration, as well as providing details as to who the directly affected person(s) is (are)?
5		The <b>ISO</b> must, if a request for reconsideration is received from a <b>person</b> , within 1 <b>business day</b> of receiving the request for reconsideration, provide a copy of the request to the Market Surveillance Administrator.	No comment.
		<b>Reconsideration Decision</b>	
6		The <b>ISO</b> must, as soon as reasonably practicable, upon making a decision regarding a request for reconsideration received from the Market Surveillance Administrator, provide a copy of the reconsideration decision to the Market Surveillance Administrator and any directly affected <b>person</b> .	No comment.

Section	Subsection	Proposed language	Stakeholder comments
7		The <b>ISO</b> must, as soon as reasonably practicable, upon making a decision regarding a request for reconsideration received from a <b>person</b> , provide a copy of the reconsideration decision to the <b>person</b> and the Market Surveillance Administrator.	No comment.

**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 new ISO Rule – Section 103.13 <i>Request for Reconsideration</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because requests for reconsiderations are expected.
2	whether you agree that the proposed new ISO Rule – Section 103.13 <i>Request for Reconsideration</i> should [or should not] be in effect for a fixed term and why or why not	A fixed term would provide more certainty on process.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 103.13 <i>Request for Reconsideration</i> and whether, in your view, the proposed new ISO Rule – Section 103.13 <i>Request for Reconsideration</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarification is required. MSA-submitted requests need to be made public.
4	how, in your view, the proposed new ISO Rule – Section 103.13 <i>Request for Reconsideration</i> affects the performance of the capacity market and the electricity market	IPCAA submits that transparency is required in order for the capacity market to perform as designed. This rule will need some clarification.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 103.13 <i>Request for Reconsideration</i>	N/A

Item #		Stakeholder comments
6	whether you agree with the proposed new ISO Rule – Section 103.13 <i>Request for Reconsideration</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 103.13 <i>Request for Reconsideration</i>	Please see comments above.
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires clarification regarding transparency before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	This rule requires clarification regarding transparency.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 103.13 Request for Reconsideration.***

Please see clarification requested above.

Proposed New ISO rule – Section 201.15, *Delisting*

<b>Period of Comment:</b>	September 7, 2018 through September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)	<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28	<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

**Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.**

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 201.15 applies to: <ul style="list-style-type: none"> <li>(a) a <b>capacity market participant</b>;</li> <li>(b) a <b>pool participant</b>;</li> <li>(c) the <b>legal owner</b> of a <b>generating unit</b> or <b>aggregated generating facility</b> where such <b>generating unit</b> or <b>aggregated generating facility</b> is the subject of a permanent delist notification; and</li> <li>(d) the <b>ISO</b>.</li> </ul>	
		<b>Requirements</b> <b>Request to Temporarily Delist for Economic Reasons</b>	
2	(1)	A <b>capacity market participant</b> may, within the timelines specified in the <i>Capacity Market Auction Guidelines</i> for the last <b>rebalancing auction</b> and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> a request to temporarily delist an asset for the <b>obligation period</b> for economic reasons.	Information should be provided to the marketplace regarding these discussions or the market participant should be forbidden from trading until the delist is apparent to the market.
2	(2)	A <b>capacity market participant</b> must, in the request referred to in subsection 2(1), submit:	Can the AESO provide confirmation of the following: -Are consumers able to take any concerns with the attestation of the officer and its

Section	Subsection	Proposed language	Stakeholder comments
		<p>(a) an attestation from a corporate officer of the <b>pool participant</b>:</p> <p>(i) that the <b>pool participant</b> confirms that if the request is approved by the <b>ISO</b>, the <b>delist outage</b> in the energy market in the <b>obligation period</b> will total greater than 210 <b>days</b> such that participation in the energy market is for a continuous period of 155 days or less;</p> <p>(ii) the MW volume of the asset that will be subject to a <b>delist outage</b> in the energy market;</p> <p>(iii) the start date and the end date of the <b>delist outage</b> referred to in 2(2)(b)(i);</p> <p>(b) the avoidable costs associated with the <b>delist outage</b> referred to in subsection 2(2)(a);</p> <p>(c) any information necessary for the ISO to calculate the energy and ancillary services offset in accordance with subsection 3(2).</p> <p>(d) an attestation from a corporate officer of the <b>legal owner</b> of the asset that the avoidable costs and information referred to in subsections 2(2)(b) and 2(2)(c), respectively, are accurate; and</p> <p>(e) any other information the <b>ISO</b> specifies as it relates to the request to temporarily delist an asset for economic reasons.</p>	<p>economics to the MSA for review?</p> <p>-Will the MSA (in ex-post) review the attestation?</p>
		<p><b>ISO Review and Approval of Request to Temporarily Delist for Economic Reasons</b></p>	
3	(1)	<p>The <b>ISO</b> may exclude all or a portion of the avoidable costs submitted pursuant to subsection 2(2)(b) where such costs, in the <b>ISO</b>'s determination, are unreasonable.</p>	
3	(2)	<p>The <b>ISO</b> must calculate the energy and ancillary services offset, as applicable, for the asset during the <b>obligation period</b> using the methodology set out in Section 206.11 of <b>ISO rules, Energy and Ancillary Services Offset for Assets</b>.</p>	
3	(3)	<p>The <b>ISO</b> may, where the <b>ISO</b> determines that the energy associated with the outage referred to in subsection 2(2)(a) is not necessary to maintain <b>reliability</b> during the <b>obligation period</b>, approve a request to temporarily delist for economic reasons.</p>	
3	(4)	<p>The <b>ISO</b> must, if it approves a request pursuant to subsection 3(3), provide the <b>capacity market participant</b>, within the timelines specified in the <i>Capacity Market Auction</i></p>	

Section	Subsection	Proposed language	Stakeholder comments
		<p><i>Guidelines</i> for the last <b>rebalancing auction</b>, with a price based on the remaining avoidable costs submitted in accordance with subsection 2(2)(b) that have not been excluded in accordance with subsection 3(3), net of the energy and ancillary services offset.</p>	
		<p><b>Submission of Offer Price for Temporary Economic Delist</b></p>	
4		<p>Notwithstanding Section 206.4 of the <b>ISO rules</b>, <i>Offers and Bids for the Capacity Market</i>, a <b>capacity market participant</b> that has been provided a price in accordance with subsection 3(4) must submit an <b>offer</b> comprised of one <b>capacity block</b> at the price specified in subsection 3(4) in the last <b>rebalancing auction</b> for the MW volume set out in subsection 2(2)(a)(ii).</p>	
		<p><b>Request to Temporarily Delist due to Physical or Operational Limitations</b></p>	
5	(1)	<p>A <b>capacity market participant</b> must, within the timelines specified in the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> a request to temporarily delist an asset from the capacity market for the <b>obligation period</b> if the asset will be subject to a derate or an outage for a period greater than or equal to 150 continuous <b>days</b> in the <b>obligation period</b> due to a physical operational limitation of the asset of the <b>capacity market participant</b>.</p>	
5	(2)	<p>A <b>capacity market participant</b> must, subject to subsection 5(3), submit the following information to the <b>ISO</b> in the request referred to in subsection 5(1):</p> <ul style="list-style-type: none"> <li>(a) a description of the physical or operational limitation;</li> <li>(b) a description of any major repairs required to rectify the physical or operational limitation; and</li> <li>(c) if applicable, an order, decision, final rule, opinion or final directive from a regulatory authority specifically mandating the derating of the asset.</li> </ul>	
5	(3)	<p>A <b>capacity market participant</b> must, in the case of an asset with <b>new capacity</b>, refurbished capacity or incremental capacity, submit to the <b>ISO</b> in the request referred to in subsection 5(1) an attestation from a corporate officer of the <b>capacity market participant</b> certifying that the <b>new capacity</b>, refurbished capacity or incremental capacity will not be in full commercial operation prior to the <b>obligation period</b>.</p>	

Section	Subsection	Proposed language	Stakeholder comments
5	(4)	<p>A <b>capacity market participant</b> must, in the request referred to in subsection 5(1), submit:</p> <p>(a) an attestation from a corporate officer of the <b>pool participant</b>:</p> <ul style="list-style-type: none"> <li>(i) that the <b>pool participant</b> confirms that if the request is approved by the <b>ISO</b>, the <b>delist outage</b> in the energy market will be for a continuous period in the <b>obligation period</b> which must be greater than 150 days;</li> <li>(ii) the MW volume of the asset that will be subject to a <b>delist outage</b> in the energy market;</li> <li>(iii) a description of the physical or operational limitation of the asset; and</li> </ul> <p>(iv) the start date and the end date of the <b>delist outage</b> referred to in 5(2)(c)(i); and</p> <p>(b) any other information the <b>ISO</b> specifies as it relates to the request to temporarily delist the asset.</p>	
		<p><b>ISO Approval of Request to Temporarily Delist due to a Physical or Operational Limitation</b></p>	
6	(1)	<p>The <b>ISO</b> must approve a request to temporarily delist an asset due to a physical or operational limitation if:</p> <ul style="list-style-type: none"> <li>(a) the <b>ISO</b> is satisfied that the request referred to in subsection 5(1) is complete; and</li> <li>(b) the <b>delist outage</b> referred in subsection 5(2)(a) is greater than 150 continuous days in the <b>obligation period</b>.</li> </ul>	
6	(2)	<p>Notwithstanding subsection 6(1), the <b>ISO</b> may not approve a request to temporarily delist an asset if, in the <b>ISO</b>'s determination, the volume of <b>capacity</b> is necessary to maintain <b>reliability</b>.</p>	
		<p><b>Delist Outage</b></p>	
7	(1)	<p>A <b>pool participant</b> must, if the <b>offer</b> referred to in subsection 4(1) does not clear in the last <b>rebalancing auction</b>, submit a <b>delist outage</b> that corresponds to the outage declared in accordance with subsection 2(2)(a).</p>	

Section	Subsection	Proposed language	Stakeholder comments
7	(2)	A <b>pool participant</b> must, if the <b>ISO</b> approves a request pursuant to subsection 6, submit a <b>delist outage</b> that corresponds to the outage declared in accordance with subsection 5(2)(a).	
		<b>Request to Change Delist Outage</b>	
8	(1)	A <b>pool participant</b> must submit a request to the <b>ISO</b> to change the <b>delist outage</b> submitted in accordance with subsection 7(2) in the manner the <b>ISO</b> specifies.	This process should be transparent to the market.
8	(2)	The <b>ISO</b> may approve a request submitted under subsection 8(1) if the <b>ISO</b> determines that the change to the <b>delist outage</b> has no material impact to <b>reliability</b> , unless such request reduces the <b>delist outage</b> to less 150 <b>days</b> .	Can the AESO clarify that this implies that the AESO cannot approve a change in delist if it reduces the delist outage to less than 150 days?  As written, an economically delisted asset cannot come back during the obligation period, even if prices are high enough to compensate for it. Is the AESO satisfied that this is not a concern?  Is there a rule that the AESO uses to establish that given a material impact to reliability, the AESO can mandate the return of a temporarily delisted asset?
		<b>Restriction on Ability to Temporarily Delist</b>	
9		A <b>capacity market participant</b> must not temporarily delist an asset for more than two consecutive <b>obligation periods</b> .	
		<b>Permanent Delist Notification</b>	
11	(1)	A <b>capacity market participant</b> may, in accordance with the timelines established in the <i>Capacity Market Auction Guidelines</i> for the <b>base auction</b> or the first <b>rebalancing auction</b> for an <b>obligation period</b> , and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> a notification to permanently delist an asset.	There has to be transparency to the marketplace over this process. It cannot simply be that one day the asset is no longer on the CSD page.
11	(2)	A <b>capacity market participant</b> must, in the notification referred to in subsection 11(1), submit:  (a) the MW volume from the asset that the <b>capacity market participant</b> is permanently delisting; and  (b) in the case of a <b>generating unit, aggregated generating facility or energy</b>	Is the AESO considering developing a bright-line test as to the economics of the permanent delist for assets with remaining life? Is this used in other jurisdictions?

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>storage facility:</b></p> <p>(i) an attestation from a corporate officer of the <b>pool participant</b>:</p> <p>(A) that the <b>pool participant</b> confirms that the MW volume referred to in subsection 11(2)(a) will be removed from the energy market on or before the first <b>day</b> of June in the <b>obligation period</b>; and</p> <p>(B) the date that the MW volume from the asset will be removed from the energy market.</p> <p>(ii) an attestation from a corporate officer of the <b>legal owner</b>:</p> <p>(A) that the <b>legal owner</b> confirms that the MW volume referred to in subsection 11(2)(a) will be removed from the energy market on or before the first <b>day</b> of June in the <b>obligation period</b>; and</p> <p>(B) the date that the MW volume from the asset will be removed from the energy market.</p>	
11	(3)	A <b>capacity market participant</b> may not revoke a notification to permanently delist after it has been submitted to the <b>ISO</b> in accordance with subsections 11(1) and 11(2).	
11	(4)	The <b>ISO</b> must implement the removal of the MW volume from an asset referred to in subsection 11(2) from the energy market.	

**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 new ISO Rule – Section 201.15, <i>Delisting</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because delisting will have a major impact on available capacity, and as such the success of the capacity market.
2	whether you agree that the proposed new ISO Rule – Section 201.15, <i>Delisting</i> should [or should not] be in effect for a fixed term and why or why not	A fixed term would provide more certainty on process.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 201.15, <i>Delisting</i> and whether, in your view, the proposed new ISO Rule – Section 201.15, <i>Delisting</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some modifications are required with respect to transparency, otherwise, this rule will not meet its purpose.
4	how, in your view, the proposed new ISO Rule – Section 201.15, <i>Delisting</i> affects the performance of the capacity market and the electricity market	IPCAA submits that transparency is required in order for the capacity market to perform as designed. This rule will need some modifications and clarification.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 201.15, <i>Delisting</i>	N/A
6	whether you agree with the proposed new ISO Rule – Section 201.15, <i>Delisting</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	This rule does not follow FEOC in that the discussions are not transparent, there is no information provided by the AESO to the market regarding the prospect of a delisting, the amount of MWs, the date of the delisting or even that a unit has been delisted. There should be transparency in all aspects of a generator being delisted in order for the market to take into account the change in supply. This is also required with regards to the a return of a delisted generator.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 201.15, <i>Delisting</i>	Please see comments above.

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires clarification regarding transparency before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	Without additional transparency, the delist the rule does not support the public interest.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 201.15, Delisting.***

Please see clarification requested above.

## Proposed Amended ISO rule – Section 206.1, Qualification of Capacity

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)			<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

***Please provide comments relating to the subsection of the proposed amendments to the rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Declaration for New Capacity</b>	
3		<p>A <b>person</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> an attestation from a corporate officer as to whether an asset with the <b>new capacity</b> will:</p> <ul style="list-style-type: none"> <li>(a) permanently delist in accordance with Section 201.15, <i>Delisting</i>; or</li> <li>(b) continue to participate in the energy and capacity markets,</li> </ul> <p>in the event that the <b>capacity market participant</b> fails to receive a <b>capacity commitment</b> for such asset in the <b>base auction</b> or <b>rebalancing auction</b>.</p>	No comment.
		<b>Declarations for Incremental Capacity and Refurbished Capacity</b>	
4	(1)	<p>A <b>capacity market participant</b> must, if it has applied to provide proposed incremental capacity, submit to the <b>ISO</b>, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, an attestation from a corporate officer as to whether the anticipated <b>maximum capability</b> of the asset with incremental capacity will be either:</p> <ul style="list-style-type: none"> <li>(a) the <b>maximum capability</b> of the asset had the <b>capacity market participant</b> not applied for proposed incremental capacity; or</li> </ul>	No comment.

Section	Subsection	Proposed language	Stakeholder comments
		<p>(b) remain as the anticipated <b>maximum capability</b> accounting for the proposed incremental capacity,</p> <p>in the event that the <b>capacity market participant</b> fails to receive a <b>capacity commitment</b> for such asset in the <b>base auction</b> or <b>rebalancing auction</b> for some or all of the proposed incremental capacity.</p>	
4	(2)	<p>A <b>capacity market participant</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> an attestation from a corporate officer as to whether an asset with refurbished capacity will:</p> <p>(a) permanently delist in accordance with Section 201.15 of the <b>ISO rules, Delisting</b>; or</p> <p>(b) continue to participate in the energy market and capacity market,</p> <p>in the event that the <b>capacity market participant</b> fails to receive a <b>capacity commitment</b> for such asset in the <b>base auction</b> or <b>rebalancing auction</b>.</p>	No comment.
		<b>Declaration for Load Asset</b>	
5	(1)	<p>A <b>person</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, declare to the <b>ISO</b> a <b>firm consumption level</b> if the <b>person</b> is seeking to have the <b>ISO</b> qualify a load asset providing a <b>firm consumption level</b> for the capacity market.</p>	<p>According to the AESO's draft capacity market terms and definitions: "<b>firm consumption level</b>" means that a load asset will consume a maximum volume of energy in MW during supply shortfall in an <b>obligation period</b>.</p> <p>This declaration reads as though the AESO is looking for a set MW number, not the clarification that the asset will consume a maximum volume of energy during supply shortfall in an obligation period. Consider re-wording.</p>
5	(2)	<p>A <b>person</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, declare to the <b>ISO</b> a <b>guaranteed load reduction</b> if the <b>person</b> is seeking to have the <b>ISO</b> qualify a load asset providing a <b>guaranteed load reduction</b> for the capacity market.</p>	<p>According to the AESO's draft capacity market terms and definitions: "<b>guaranteed load reduction</b>" means that a load asset will reduce consumption by a volume of energy in MW.</p> <p>This declaration reads as though the AESO is looking for a set MW number, not the clarification that the asset will reduce consumption by a volume of energy when required. Consider re-wording.</p>
		<b>Declaration for Import Asset</b>	

Section	Subsection	Proposed language	Stakeholder comments
6		<p>A <b>person</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, declare to the <b>ISO</b> a volume in MW from an import asset, which is less than or equal to the amount of firm transmission, that the <b>person</b> is seeking to have the <b>ISO</b> qualify for the capacity market.</p>	<p>Is this the firm transmission that the person owns or the total firm transmission available? Please clarify.</p>
		<p><b>Qualification of New Capacity, Incremental Capacity and Refurbished Capacity</b></p>	
7	(1)	<p>The <b>ISO</b> must, based on the information in the application and any supporting documents provided pursuant to subsection 2, be satisfied that the asset:</p> <ul style="list-style-type: none"> <li>(a) will be capable of providing energy to or reducing consumption from the <b>interconnected electric system</b>;</li> <li>(b) has a <b>uniform capacity value</b> greater than or equal to 1 MW;</li> <li>(c) will be: <ul style="list-style-type: none"> <li>(i) developed in accordance with a project plan and timeline that aligns with the critical milestones established by the <b>ISO</b>; and</li> <li>(ii) energized and commissioned prior to the <b>obligation period</b>.</li> </ul> </li> <li>(d) is not a <b>source asset</b> that is the subject of a renewable electricity support agreement in connection with rounds 1, 2 or 3 of the Renewable Electricity Program;</li> <li>(e) is not energy efficiency;</li> <li>(f) in the case of a load asset: <ul style="list-style-type: none"> <li>(i) can or will be able to reduce demand during the <b>obligation period</b> in a way that is measurable by the <b>ISO</b>; and</li> <li>(ii) is or will be a retail or self-retail asset;</li> </ul> </li> <li>(g) in the case of an <b>energy storage facility</b>, is or will be capable of maintaining energy production at it <b>uniform capacity value</b> for a minimum of 4 hours;</li> <li>(h) in the case of an import asset:</li> </ul>	<p>(f) Can the AESO provide an explanation as to why it is necessary to be a retail or self-retail asset?</p> <p>(g) Do all assets have to be able to provide UCAP for 4 hours? For a hydroelectric asset, a 4 hour requirement could mean less UCAP is available. Why is the AESO restricting energy storage only?</p> <p>(h) iii) Originally a firm import would be delivered, now in certain cases less than the purchased amount could be delivered due to issues in the BA jurisdiction. Why is it not available at all times, even under adverse conditions? Can the AESO explain this further?</p> <p>(j) It is not clear why there is a 40 MW limit. For example, reciprocating engines can simply be added in parallel. Having a 40 MW limit means this type of configuration will incur extra costs for connection, transformers etc. Can the AESO show the value of having this limit in place? At this point, it simply looks like it will incur costs.</p> <p>(k) Again, it is not clear why there is a 40 MW limit. Having a 40 MW limit means potential upgrades or efficiency improvements are limited.</p> <p>Can the AESO explain the purpose of the \$200/kW cost?</p> <p>Can the AESO explain why there is a differentiation between different types of “new” capacity?</p>

Section	Subsection	Proposed language	Stakeholder comments
		<ul style="list-style-type: none"> <li>(i) has firm transmission from the import asset to the Alberta border for the duration of the <b>obligation period</b>;</li> <li>(ii) is not participating as non-recallable capacity in a resource adequacy program of another jurisdiction; and</li> <li>(iii) will be curtailed on a pro-rata basis by the <b>balancing authority</b> of the jurisdiction in which the import asset is located in when load, which is firm, is curtailed.</li> </ul> <p>(i) in the case of an aggregation of assets:</p> <ul style="list-style-type: none"> <li>(i) has a <b>uniform capacity value</b> less than or equal to the <b>maximum capability</b> of the largest generating unit in Alberta multiplied by 0.85;</li> <li>(ii) has or will have the appropriate metering the <b>ISO</b> specifies for each asset in the aggregation;</li> <li>(iii) is comprised of assets that are either exclusively:               <ul style="list-style-type: none"> <li>(A) <b>generating units</b> or <b>aggregated generating facilities</b> located within Alberta;</li> <li>(B) load assets providing a <b>firm consumption level</b> located within Alberta; or</li> <li>(C) load assets providing a <b>guaranteed load reduction</b> located within Alberta;</li> </ul> </li> </ul> <p>and,</p> <ul style="list-style-type: none"> <li>(iv) is not comprised of any asset that will contribute capacity individually, or as part of another aggregation, to the capacity market;</li> </ul> <p>(j) in the case of incremental capacity, will be retrofitted in a manner that will, in the opinion of the <b>ISO</b>, increase the <b>maximum capability</b> of the asset by an amount in MW that is:</p> <ul style="list-style-type: none"> <li>(i) greater than or equal to 1 MW; and</li> <li>(ii) less than or equal to the greater of:</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>(A) 15% of the asset's <b>maximum capability</b>; or</p> <p>(B) 40 MW above the asset's <b>maximum capability</b>.</p> <p>(k) in the case of refurbished capacity, will be retrofitted in a manner that will, in the opinion of the <b>ISO</b>, result in either:</p> <p>(i) an increase in the asset's <b>maximum capability</b> by an amount exceeding the greater of:</p> <p>(A) 15% of the asset's <b>maximum capability</b>; or</p> <p>(B) 40 MW above the asset's <b>maximum capability</b>; or</p> <p>(ii) a capital investment of greater than or equal to \$200 per kW of the asset's current <b>maximum capability</b> multiplied by a capital cost escalation rate that is specified by the <b>ISO</b>.</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 amended ISO rule – <i>Section 206.1, Qualification of Capacity</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because it will be necessary to qualify capacity to participate in the market.
2	whether you agree that amended ISO rule – <i>Section 206.1, Qualification of Capacity</i> should [or should not] be in effect for a fixed term and why or why not	This rule will need to be in place for a fixed term.
3	whether you understand and agree with the objective or purpose of amended ISO rule – <i>Section 206.1, Qualification of Capacity</i> and whether, in your view, <i>Section 206.1, Qualification of Capacity</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarification is required.
4	how, in your view, amended ISO rule – <i>Section 206.1, Qualification of Capacity</i> affects the performance of the capacity market and the electricity market	There are some concerns that need to be addressed in order to ensure fair treatment of resources, which will help with competition and capacity market performance.
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – <i>Section 206.1, Qualification of Capacity</i>	N/A
6	whether you agree with amended ISO rule – <i>Section 206.1, Qualification of Capacity</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.
7	whether you would suggest any alternatives to amended ISO rule – <i>Section 206.1, Qualification of Capacity</i>	Please see comments above.

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	There are some concerns that need to be addressed in order to ensure fair treatment of resources, which will help with competition and hopefully provide reasonable cost to customers.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	There are some concerns that need to be addressed before the public interest test can be considered.

***Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 206.1, Qualification of Capacity.***

Please see clarification requested above.

Proposed Amended ISO rule – Section 206.2, Self-Supply

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)			<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

***Please provide comments relating to the subsection of the proposed amendments to the rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.2 applies to: <ul style="list-style-type: none"> <li>(a) the <b>legal owner</b> of a load asset that is served by one or more onsite <b>generating units</b> or <b>aggregated generating facilities</b>, excluding sites where the load is exclusively station service for the <b>generating unit</b> or <b>aggregated generating facility</b>;</li> <li>(b) the <b>legal owner</b> of a <b>generating unit</b> or an <b>aggregated generating facility</b> that self-supplies capacity for one or more onsite load assets;</li> <li>(c) the City of Medicine Hat; and</li> <li>(d) the <b>ISO</b>.</li> </ul>	There are self-supply sites where the generation is owned by a different owner than the load. Is this configuration covered in Section 1?
		<b>Requirements</b> <b>Requirements to Self-supply Capacity</b>	
2	(1)	The <b>legal owner</b> of a load asset must self-supply <b>capacity</b> if such site is: <ul style="list-style-type: none"> <li>(a) metered in a manner that the metering measures both onsite generation and load as a single value for each metering interval; or</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		(b) is not capable of flowing all energy produced on the site on to the <b>interconnected electric system</b> .	
2	(2)	The City of Medicine Hat must self-supply <b>capacity</b> .	
		<b>Application to Self-supply Capacity</b>	
3		The <b>legal owner</b> of a load asset and the City of Medicine Hat must provide the <b>ISO</b> , within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , a completed application to self-supply <b>capacity</b> including all information or documents that the <b>ISO</b> specifies.	
		<b>Approval to Self-supply Capacity</b>	
4		The <b>ISO</b> must, within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , approve an application to self-supply <b>capacity</b> if the site meets the criteria set out in subsection 2.	
		<b>Changes in Self-supply Configuration</b>	
5		The <b>legal owner</b> of a load asset that is self-supplying <b>capacity</b> pursuant to subsection 2(1) must self-supply <b>capacity</b> for a minimum of 4 <b>obligation periods</b> unless it can demonstrate to the <b>ISO</b> 's satisfaction that physical changes to the site warrant a change in self-supply configuration.	IPCAA remains unclear as to why this minimum of 4 obligation periods is required. Can the AESO provide an explanation?

**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 amended ISO rule – <i>Section 206.2, Self-Supply</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because it will be necessary to determine self-supply capacity in order to establish the required procurement volume.
2	whether you agree that amended ISO rule – <i>Section 206.2, Self-Supply</i> should [or should not] be in effect for a fixed term and why or why not	This rule will need to be in place for a fixed term, but this should not be overly burdensome on self-suppliers and should allow them to optimize their configurations. Four years is too long.
3	whether you understand and agree with the objective or purpose of amended ISO rule – <i>Section 206.2, Self-Supply</i> and whether, in your view, <i>Section 206.2, Self-Supply</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that with some clarification and amendments, as described above, this rule should meet the objective.
4	how, in your view, amended ISO rule – <i>Section 206.2, Self-Supply</i> affects the performance of the capacity market and the electricity market	Self-suppliers form a considerable portion of the Alberta market, and as such, the performance of the capacity market and electricity market will require fair and transparent treatment of self-suppliers.
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – <i>Section 206.2, Self-Supply</i>	N/A
6	whether you agree with amended ISO rule – <i>Section 206.2, Self-Supply</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.
7	whether you would suggest any alternatives to amended ISO rule – <i>Section 206.2, Self-Supply</i>	Please see comments above.

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	Customers with generation on site will need the opportunity to optimize their configurations. This will help optimize the entire system and provide a better opportunity to manage costs.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	This rule requires several clarifications.

***Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 206.2, Self-Supply.***

Please see clarifications requested above.

Proposed New ISO rule – Section 206.3, *Uniform Capacity Value Determination*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)			<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.3 applies to: (a) a <b>capacity market participant</b> ; and (b) the <b>ISO</b> .	
		<b>Requirements</b> <b>1250 Tightest Supply Cushion Hours</b>	
2		The <b>ISO</b> must select 250 hours from each 12 <b>month</b> consecutive period in the historical 60 <b>month</b> evaluation period as follows: (a) calculate the supply cushion for every hour; (b) rank all hours based on supply cushion in ascending order; (c) within the order referred to in subsection 2(b), rank hours with equivalent supply cushion in ascending order from the most recent to the most distant of time; and (d) select the first 250 hours after ranking in accordance with subsection 2(b) and 2(c).	Can the AESO provide clear rationale as to why using the linear regression methodology is appropriate to determine the net uniform capacity value for net-to-grid / self-supply? New net-to-grid / self-supply capacity seems to be penalized, based on historical data. Can the AESO confirm that new self-supply will not be penalized? Please provide examples in the ID. Can the AESO explain whether changing the UCV methodology changes the volume of required new supply that that is expected for 2021/22 (160 MW)? This is not well understood.

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>Asset Specific Hours for Uniform Capacity Value Calculation</b></p>	
3	(1)	<p>The <b>ISO</b> must remove the following hours from the 1250 hours identified in subsection 2 on an asset-specific basis, in order to create an historical data set for each asset listed for a <b>capacity market participant</b> on the list:</p> <ul style="list-style-type: none"> <li>(a) hours in which there was a state of markets suspension;</li> <li>(b) hours that the <b>ISO</b> determines that the asset was affected by: <ul style="list-style-type: none"> <li>(i) an event of limited markets operations, war, invasion, armed conflict, blockade, act of public enemy, riot, revolution, insurrection, act of terrorism, sabotage, act of vandalism, fire that does not originate at the asset, lightning, explosion, earthquake or flooding; and</li> <li>(ii) a <b>mothball outage</b> or temporary economic <b>delist outage</b>;</li> </ul> </li> <li>(c) hours in which the asset had no production or consumption history;</li> <li>(d) hours in which the asset was <b>commissioning</b>; and</li> <li>(e) in the case of an import asset, hours in which the relevant transfer path was unavailable as a result of an issue on the Alberta transmission system.</li> </ul>	
3	(2)	<p>The <b>ISO</b> may, in the case of a <b>long lead time asset</b> that was synchronized but had varying start-up times for distinct portions of its MW and which required more than 1 hour to deliver such additional portions of its MW, remove the hours where the <b>ISO</b> determines that:</p> <ul style="list-style-type: none"> <li>(a) the <b>pool participant</b> reason in the Energy Trading System indicates that the asset was offline for a long lead time configuration; or</li> <li>(b) the cost assessment for the asset exceeds the <b>pool price</b>;</li> </ul> <p>in order to create an historical data set for each <b>long lead time asset</b> listed for a <b>capacity market participant</b> on the list.</p>	Can the AESO confirm (in the ID) how the cost assessment will be determined?
3	(3)	<p>The <b>ISO</b> must, if it determines that the asset was impacted by a <b>transmission market constraint</b> during an hour in the asset’s historical data set, add the volume that was</p>	

Section	Subsection	Proposed language	Stakeholder comments
		curtailed to the <b>metered volume</b> in that hour for the purposes of calculating the <b>uniform capacity value</b> for the asset in accordance with subsection 5(2).	
		<b>Selection of Methodologies for Uniform Capacity Value Calculation</b>	
4		<p>The <b>ISO</b> must, when calculating a <b>uniform capacity value</b> for an asset, apply the methodologies as follows:</p> <ul style="list-style-type: none"> <li>(a) if the number of hours in the historical data set determined in accordance with subsection 3 is greater than or equal to 300 hours and less than or equal to 1250 hours then the methodologies in subsection 5 will be applied to the hours in the historical data set;</li> <li>(b) if the number of hours in the historical data set determined in accordance with subsection 3 is greater than or equal 1 hour and less than 300 hours then:               <ul style="list-style-type: none"> <li>(i) the methodologies in subsection 5 will be applied to the hours in the historical data set, as applicable; and</li> <li>(ii) the methodology in subsection 6 will be applied to the number of hours that is 300 hours minus the hours in the historical data set, determined in accordance with subsection 3;</li> </ul> </li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>(c) if the number of hours in the historical data set determined in accordance with subsection 3 is 0 hours then the methodology in subsection 6 will be applied to 300 hours.</li> </ul>	
		<b>Methodologies for Hours in the Historical Data Set</b>	
5	(1)	<p>The <b>ISO</b> must, subject to subsections 5(2) through 5(8) calculate a <b>uniform capacity value</b> for an asset as follows:</p> <ul style="list-style-type: none"> <li>(a) calculate the hourly availability factor using the time weighted <b>available capability</b> as observed in the Energy Trading System, divided by <b>maximum capability</b> observed in each hour in the historical data set;</li> <li>(b) calculate the availability factor by averaging the hourly availability factors as</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>calculated in subsection 5(1)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the availability factor calculated in subsection 5(1)(b) by the asset's <b>maximum capability</b>.</p>	
5	(2)	<p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a wind or solar <b>aggregated generating facility</b> or a run of river hydroelectric <b>generating unit</b> or <b>aggregated generating facility</b>, or an aggregated asset containing a wind or solar <b>aggregated generating facility</b> or a run of river hydroelectric <b>generating unit</b> or <b>aggregated generating facility</b>, or assets that do not receive a dispatch as follows:</p> <p>(a) calculate the hourly capacity factor by adding <b>metered energy</b> and applicable <b>ancillary services</b> volumes observed in each hour in the historical data set, and dividing by <b>maximum capability</b>;</p> <p>(b) calculate the capacity factor by averaging each hourly capacity factor in subsection 5(2)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the capacity factor calculated in subsection 5(2)(b) by the asset's <b>maximum capability</b>.</p>	
5	(3)	<p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an import asset as follows:</p> <p>(a) calculate the lesser of an asset's <b>available capability</b> or an asset's firm transmission over a transfer path observed in each hour in the historical data set, and dividing by an asset's firm transmission capacity over a transfer path;</p> <p>(b) calculate the availability factor by averaging each hourly availability factor in subsection 5(3)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the availability factor calculated in subsection 5(3)(b) by an asset's firm transmission capacity over a transfer path.</p>	
5	(4)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a site with one or more onsite	More explanation of the linear regression methodology is required, including examples in

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>generating units</b> or <b>aggregated generating facilities</b> that self-supplies <b>capacity</b> and is dispatched gross-to-grid as follows:</p> <ul style="list-style-type: none"> <li>(a) calculate a gross <b>uniform capacity value</b> using the availability factor of the asset on the self-supply site as observed in each of the hours in the historical data set; and</li> <li>(b) translate the gross <b>uniform capacity value</b> calculated in subsection 5(4)(a) to a net <b>uniform capacity value</b> using a linear regression of net-to-grid energy relative to the energy market <b>dispatches</b> issued to the asset on the self-supply site.</li> </ul>	the ID.
5	(5)	<p>The <b>ISO</b> must, subject to subsection 7, calculate a <b>uniform capacity value</b> for a load asset providing <b>firm consumption level</b> as follows:</p> <ul style="list-style-type: none"> <li>(a) identify the <b>metered energy</b> for the <b>settlement intervals</b> with the same <b>hour ending</b> as the hour the historical data set in the following <b>days</b>: <ul style="list-style-type: none"> <li>(i) the 15 most recent <b>business days</b> prior to the <b>day</b> with the hour in the historical data set if the hour falls on a <b>business day</b>;</li> <li>(ii) the 10 most recent weekend <b>days</b> or holidays prior to the <b>day</b> with the hour in the historical data set if the hour falls on a weekend <b>day</b> or a holiday; or</li> <li>(iii) the <b>days</b> the <b>ISO</b> specifies if, in the 45 <b>day</b> period prior to the <b>day</b> with the hour in the historical data set, there are fewer than 15 <b>business days</b> and 10 weekend <b>days</b> when <b>days</b> containing <b>settlement intervals</b> identified in subsection 5(5)(b) are excluded;</li> </ul> </li> <li>(b) determine if any <b>settlement intervals</b> referred to in subsection 5(a) contain any of hours in the historical data set in accordance with subsection 2;</li> <li>(c) calculate the qualified baseline as the average of the <b>metered energy</b> for the <b>settlement intervals</b> referred to in subsection 5(5)(a) excluding the <b>metered energy</b> for the <b>settlement intervals</b> identified in subsection 5(5)(b); and</li> <li>(d) minus an asset's declared <b>firm consumption level</b> from the qualified baseline calculated in subsection 5(5)(b).</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
5	(6)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a load asset providing <b>guaranteed load reduction</b> as the <b>guaranteed load reduction</b> declared in accordance with Section 206.1, <i>Qualification of Capacity</i> .	
5	(7)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset with incremental capacity by  multiplying the performance factor calculated in accordance with subsections 5(1) through 5(6), as applicable, by the sum of the assets <b>maximum capability</b> and the amount of incremental capacity.	
5	(8)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset that undergoes a derate in its <b>maximum capability</b> in accordance with subsection 5, as applicable, substituting the <b>maximum capability</b> of the asset for its derated <b>maximum capability</b> .	
5	(9)	Where the <b>uniform capacity value</b> for at least 1 asset in an aggregated asset would otherwise be calculated in accordance with subsection 5(2), the <b>ISO</b> must calculate the <b>uniform capacity value</b> of all assets in the aggregated asset in accordance with subsection 5(2).	
		<b>Methodologies for Hours not in the Historical Data Set</b>	
6	(1)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset in accordance with subsection 4, as follows:  (a) using a class average performance factor multiplied by <b>maximum capability</b> , where the class average performance factor is:  (i) for a load asset, 91% unless the <b>ISO</b> specifies a class average performance factor based on Alberta load data; or  (ii) for all other assets, as specified by the <b>ISO</b> ;  (b) if a class average performance factor is not available, using a performance factor based on engineering studies or equivalent engineering documents, or production or load estimates of the asset multiplied by <b>maximum capability</b> ; or	(b) Please confirm that while the class average may be available, it may not always be appropriate.  It would be useful to reference the variance process available in 10 (2) (c) here.  IPCAA recommends that the AESO discuss the process of developing the class average in the ID document so that market participants are able to understand it.  (c) In cases where information is not available, the ISO should publish the performance factor used.

Section	Subsection	Proposed language	Stakeholder comments
		(c) if a class average performance factor and production or load estimates are not available, using a performance factor based on a review of similar assets in other jurisdictions multiplied by <b>maximum capability</b> .	
6	(2)	<p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an import asset where the hours in the historical data set are less than 250 as follows:</p> <p>(a) using the value declared, in accordance with Section 206.1, <i>Qualification of Capacity</i>, for the import asset; and</p> <p>(b) derating the value declared, in accordance with Section 206.1, <i>Qualification of Capacity</i>, to reflect the hours in the 1250 hours determined in accordance with subsection 2 where the British Columbia transfer path, Montana transfer path or Saskatchewan transfer path, as applicable, was out of service with an <b>available transfer capability</b> of 0 MW.</p>	
		<b>Test Requirement for Load Asset Providing a Firm Load Consumption</b>	
7	(1)	A <b>capacity market participant</b> must, if there were no delivery hours in the <b>obligation period</b> prior to <b>obligation period</b> that the <b>ISO</b> is calculating a <b>uniform capacity value</b> for in accordance with subsection 6(5), demonstrate to the <b>ISO</b> the ability of a load asset providing a <b>firm consumption level</b> to reduce down to the <b>firm consumption level</b> declared by the <b>capacity market participant</b> and maintain the reduction for 1 hour.	
7	(2)	The <b>ISO</b> must, in the event that the load asset providing a <b>firm consumption level</b> fails the demonstration in subsection 7(1), adjust the <b>uniform capacity value</b> calculated in accordance with subsection 6(5) to reflect the observed load reduction.	
		<b>Calculation of Ranges for a Uniform Capacity Value</b>	
8	(1)	<p>The <b>ISO</b> must, subject to subsection 8(2), calculate 3 ranges for a <b>uniform capacity value</b> on an asset-specific basis as follows:</p> <p>(a) the 5% range, as follows:</p> <p style="padding-left: 40px;">(i) calculate the upper limit, as follows:</p>	<p>Please provide examples in the ID.</p> <p>Since the uniform capacity value is being published by asset, IPCAA recommends that the ranges be included as well.</p> <p>IPCAA notes that it is expected that the uniform capacity values will be rounded to the nearest 1 MW. Rounding should always occur at the end of the calculation process. Is</p>

Section	Subsection	Proposed language	Stakeholder comments
		<p>(A) remove 5% of the hours identified in the historical data set, in which the asset's availability factor or capacity factor, as applicable, was the lowest;</p> <p>(B) average the asset's remaining availability factor or capacity factor, as applicable; and</p> <p>(C) multiply the average remaining availability factor or capacity factor, as applicable, by the asset's <b>maximum capability</b>; and</p> <p>(ii) calculate the lower limit, as follows:</p> <p>(A) remove 5% of the hours identified in the historical data set, in which the asset's availability factor or capacity factor, as applicable, was the highest;</p> <p>(B) average the asset's remaining availability factor or capacity factor, as applicable; and</p> <p>(C) multiply the average remaining availability factor or capacity factor, as applicable, by the asset's <b>maximum capability</b>;</p> <p>(b) the +/- 2% range, as follows:</p> <p>(i) calculate the upper limit, as follows:</p> <p>(A) 2% multiplied by the <b>maximum capability</b>;</p> <p>(B) added to the <b>uniform capacity value</b>; and</p> <p>(ii) calculate the lower limit, as follows:</p> <p>(A) 2% multiplied by the <b>maximum capability</b>;</p> <p>(B) subtracted from the <b>uniform capacity value</b>; and</p> <p>(c) the +/- 1 MW range, as follows:</p> <p>(i) calculate the upper limit by adding 1 MW to the <b>uniform capacity value</b>; and</p> <p>(ii) calculate the lower limit by subtracting 1 MW to the <b>uniform capacity</b></p>	<p>this specifically identified in this rule? We see that the ranges must not be fractions (as per (c)) but what about the final uniform capacity value?</p>

Section	Subsection	Proposed language	Stakeholder comments
		<b>value.</b>	
8	(2)	<p>The <b>ISO</b> must not calculate the <b>uniform capacity value</b> ranges in subsection 7(1) for:</p> <ul style="list-style-type: none"> <li>(a) assets with <b>new capacity</b> or refurbished capacity;</li> <li>(b) incremental capacity;</li> <li>(c) a load asset; and</li> <li>(d) an import asset.</li> </ul>	Should this reference be 8(1) not 7(1)?
		<b>Notification of Tightest Supply Cushion Hours and Preliminary Uniform Capacity Values</b>	
9	(1)	<p>The <b>ISO</b> must publish on the AESO website:</p> <ul style="list-style-type: none"> <li>(a) the 1250 tightest supply cushion hours identified in accordance with subsection 2; and</li> <li>(b) the class averages referred to in subsection 6(a).</li> </ul>	
9	(2)	<p>The <b>ISO</b> must provide the following information to a <b>capacity market participant</b> on an asset-specific basis:</p> <ul style="list-style-type: none"> <li>(a) the hours in the historical data set, referred to in subsection 3;</li> <li>(b) the <b>uniform capacity value</b> calculated in accordance with subsections 4, 5 and 6, as applicable;</li> <li>(c) the methodology used to calculate the <b>uniform capacity value</b>;</li> <li>(d) the greatest of the upper limits calculated in accordance with subsections 8(1)(a)(i), 8(1)(b)(i) and 8(1)(c)(i) to a maximum of the asset's <b>maximum capability</b>; and</li> </ul> <p>the lowest of the lower limits calculated in accordance with subsection 8(1)(a)(ii), 8(1)(b)(ii) and 8(1)(c)(ii) to a minimum of 1 MW.</p>	
		<b>Uniform Capacity Value Variances</b>	

Section	Subsection	Proposed language	Stakeholder comments
10	(1)	<p>A <b>capacity market participant</b> may, within the timelines prescribed by the <i>Capacity Market Auction</i> Guidelines and in the manner specified by the <b>ISO</b>, submit to the <b>ISO</b>:</p> <ul style="list-style-type: none"> <li>(a) a request to vary the <b>uniform capacity value</b> of an asset for a reason set out in subsection 10(2); and</li> <li>(b) detailed information in support of the request, including, as applicable: <ul style="list-style-type: none"> <li>(i) metering or Energy Trading System data;</li> <li>(ii) information regarding a planned or completed physical change to the asset demonstrating that the <b>maximum capability</b> will increase or decrease by at least 1 MW;</li> <li>(iii) the characteristics, selection criteria and rationale for comparable assets, for class average and jurisdictional assessment requests, including: <ul style="list-style-type: none"> <li>(A) <b>maximum capability</b>; and</li> <li>(B) available production and load data, and</li> </ul> </li> <li>(iv) engineering studies or equivalent engineering documents, or production or load estimates which are specific to the asset at its location, completed by a qualified professional engineer.</li> </ul> </li> </ul>	
10	(2)	<p>The <b>ISO</b> may accept a request made in accordance with subsection 10(1) on the following:</p> <ul style="list-style-type: none"> <li>(a) the metering or Energy Trading System data during the historical data set evaluated by the <b>ISO</b> did not accurately reflect the <b>available capability</b> of the asset;</li> <li>(b) the asset has or will undergo a physical change before the start of the <b>obligation period</b> that will increase or decrease the <b>maximum capability</b> of the asset by at least 1 MW; or</li> <li>(c) where the class average data, production or load estimates, or jurisdictional assessment used in calculating the <b>uniform capacity value</b>, in accordance with subsections 6(1)(a)(ii), 6(1)(b) or 6(1)(c), does not create a comparable representation of the asset's future performance.</li> </ul>	<p>(b) Can the AESO confirm that if the historical availability factor is not reflective of the new capacity, the AESO will review the uniform capacity value?</p> <p>Please confirm that hours under refurbishment should not affect the uniform capacity value.</p>

Section	Subsection	Proposed language	Stakeholder comments
10	(3)	The <b>ISO</b> must notify the <b>capacity market participant</b> of its decision.	Is there a timeline as to length of time to make a decision.
		<b>Declaration and Assignment of Final Uniform Capacity Value</b>	
11	(1)	A <b>capacity market participant</b> must, in accordance with the timelines specified in the <i>Capacity Market Auction Guidelines</i> declare to the <b>ISO</b> , as applicable, the <b>uniform capacity value</b> within the range identified in subsection 8(1) that it will use for the auction.	
11	(2)	The <b>ISO</b> must, in accordance with the timelines specified in the <i>Capacity Market Auction Guidelines</i> , notify the <b>capacity market participant</b> of its assigned <b>uniform capacity value</b> .	

**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 new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because it will be necessary to identify the uniform capacity values for the various assets in the fleet.
2	whether you agree that the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> should [or should not] be in effect for a fixed term and why or why not	A fixed term would provide more certainty on process.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> and whether, in your view, the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarification is required with respect to transparency.
4	how, in your view, the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> affects the performance of the capacity market and the electricity market	IPCAA submits that transparency is required in order for the capacity market to perform as designed. This rule will need some clarification.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i>	N/A
6	whether you agree with the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i>	Please see comments above.
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires clarification regarding transparency before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	This rule requires clarification regarding transparency.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 206.3, Uniform Capacity Value Determination.***

Each uniform capacity value methodology should have examples attached in the ID.

Proposed New ISO rule – Section 206.5, *Forward Period Milestone Assessment*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)			<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.5 applies to: (a) a <b>capacity market participant</b> ; and (b) the <b>ISO</b> .	
		<b>Requirements</b> <b>Milestone Assessment</b>	
2	(1)	The <b>ISO</b> must develop and publish on the AESO website, the critical milestones and associated target completion dates applicable to respective asset classes identified by the <b>ISO</b> .	IPCAA supports the website publication. There should be transparency with regard to assets that do not meet their milestones. Project names are not required, but asset type, MWs and which milestone were missed should all be published to allow the market to respond appropriately. Has the AESO considered including information on projects that are not meeting milestones in the outage reporting?
2	(2)	The <b>ISO</b> must prior to each <b>rebalancing auction</b> and in accordance with the timelines prescribed in the <i>Capacity Market Auction Guidelines</i> , determine if an asset with <b>new capacity</b> , incremental capacity, or refurbished capacity that is subject to a <b>capacity commitment</b> has achieved the critical milestones prior to the target completion date in advance of the <b>rebalancing auction</b> , as applicable.	

Section	Subsection	Proposed language	Stakeholder comments
2	(3)	<p>The <b>ISO</b> must, where it has determined under subsection 2(2) that an asset with <b>new capacity</b> has not achieved one or more critical milestones that have target completion dates prior to the date of the applicable <b>rebalancing auction</b>, reasonably determine whether or not such asset will be able to achieve such critical milestone(s):</p> <p>(a) in the case of the first <b>rebalancing auction</b>, within 8 months after the applicable target completion date(s); and</p> <p>(b) in the case of the second <b>rebalancing auction</b>, and in the case of the singular <b>rebalancing auction</b> within the transitional period, within 5 months after the applicable target completion date(s).</p>	This data should be transparent to the marketplace to allow it to respond to potential delays. Consider outage reporting as a possible mechanism.
		<b>Unique Asset Classes</b>	
3	(1)	The <b>ISO</b> may, if it received a project plan for an asset with <b>new capacity</b> pursuant to Section 206.1 of the <b>ISO rules</b> , <i>Qualification of Capacity</i> that is not included in the asset classes set out in subsection 2(1), develop a set of proposed critical milestones and associated target completion dates for such asset.	No comment.
3	(2)	The <b>ISO</b> must notify <b>capacity market participants</b> of its proposed critical milestones and associated target completion dates under subsection 3(1).	
3	(3)	The <b>ISO</b> may add an asset class with the critical milestones and target completion dates as determined in subsection 3(1) to the list published in accordance with subsection 2(1).	
3	(4)	The <b>ISO</b> must determine if an asset with <b>new capacity</b> has not achieved one or more critical milestones that have target completion dates prior to the date of the applicable <b>rebalancing auction</b> .	This data should be transparent to the marketplace to allow it to respond to potential delays. Consider outage reporting as a possible mechanism.
		<b>Outcome of Milestone Assessment</b>	
4		A <b>capacity market participant</b> must, where the <b>ISO</b> has determined under subsection 2 that an asset will not achieve one or more critical milestones, submit a <b>bid</b> in respect of the <b>new capacity</b> , incremental capacity, or refurbished capacity of such asset in accordance with Section 206.4 of the <b>ISO rules</b> , <i>Offers and Bids for the Capacity Market</i> .	
		<b>Milestone Assessment for Load Assets</b>	

Section	Subsection	Proposed language	Stakeholder comments
5	(1)	The <b>ISO</b> must, prior to the last <b>rebalancing auction</b> for each load asset with <b>new capacity</b> that is subject to a <b>capacity commitment</b> , make a determination of whether the asset will be able to provide a minimum 75% of the <b>capacity commitment</b> based on the supporting evidence submitted pursuant to subsection 5(2).	No comment.
5	(2)	A <b>capacity market participant</b> must submit evidence of sufficient contracted loads to meet the milestone in subsection 5(1) and any other information that the <b>ISO</b> requires.	
5	(3)	The <b>ISO</b> must notify the <b>capacity market participant</b> of its determination under subsection 5(1).	
5	(4)	A <b>capacity market participant</b> must, where the <b>ISO</b> has determined under subsection 5(1) that the asset will not be able to achieve the milestone by the last <b>rebalancing auction</b> , submit a <b>bid</b> in respect of the <b>new capacity</b> of such asset in accordance with Section 206.4 of the <b>ISO rules</b> , <i>Offers and Bids for the Capacity Market</i> .	

**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 new ISO Rule – Section 206.5, <i>Forward Period Milestone Assessment</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). Projects not meeting milestones will have a major impact on available capacity, and as such the success of the capacity market.
2	whether you agree that the proposed new ISO Rule – Section 206.5, <i>Forward Period Milestone Assessment</i> should [or should not] be in effect for a fixed term and why or why not	A fixed term would provide more certainty on process.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.5, <i>Forward Period Milestone Assessment</i> and whether, in your view, the proposed new ISO Rule – Section 206.5, <i>Forward Period Milestone Assessment</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarification is required with respect to transparency.
4	how, in your view, the proposed new ISO Rule – Section 206.5, <i>Forward Period Milestone Assessment</i> affects the performance of the capacity market and the electricity market	IPCAA submits that transparency is required in order for the capacity market to perform as designed. This rule will need some clarification.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.5, <i>Forward Period Milestone Assessment</i>	N/A
6	whether you agree with the proposed new ISO Rule – Section 206.5, <i>Forward Period Milestone Assessment</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.5, <i>Forward Period Milestone Assessment</i>	Please see comments above.

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires clarification regarding transparency before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	This rule requires clarification regarding transparency.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 206.5, Forward Period Milestone Assessment.***

Please see clarification requested above.

Proposed New ISO rule – Section 206.7, *Capacity Market Mitigation*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)			<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

**Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.**

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.7 applies to: <ul style="list-style-type: none"> <li>(a) a <b>person</b> who has offer control over <b>capacity</b> from an asset that has been assigned a <b>uniform capacity value</b> for a <b>base auction</b>; and</li> <li>(b) the <b>ISO</b>.</li> </ul>	
		<b>Market Power Screen</b>	
2	(1)	The <b>ISO</b> must, before a <b>base auction</b> and within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , identify those <b>persons</b> who have market power by conducting the following steps: <ul style="list-style-type: none"> <li>(a) determine the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>;</li> <li>(b) determine the slope above the inflection point of the final demand curve for the <b>base auction</b> using the following formula:                             <math display="block">m = \frac{y_{cap} - y_{ip}}{x_{min} - x_{ip}}</math> </li> </ul>	Please provide a worked example in the ID.

Section	Subsection	Proposed language	Stakeholder comments
		<p>Where</p> <p><math>m</math> means the slope above the inflection point of the final demand curve for the <b>base auction</b>;</p> <p><math>y_{cap}</math> means the price cap;</p> <p><math>x_{min}</math> means the minimum procurement volume;</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>, determined in subsection 2(1)(a); and</p> <p><math>x_{ip}</math> means the capacity volume of the inflection point.</p> <p>(c) determine the slope below the inflection point of the final demand curve for the <b>base auction</b> using the following formula:</p> $n = \frac{y_{ip} - y_{foot}}{x_{ip} - x_{foot}}$ <p>Where</p> <p><math>n</math> means the slope below the inflection point of the final demand curve for the <b>base auction</b>;</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>, determined in subsection 2(1)(a);</p> <p><math>x_{ip}</math> means the capacity volume of the inflection point;</p> <p><math>y_{foot}</math> means the price at the foot of the final demand curve for the <b>base auction</b>; and</p> <p><math>x_{foot}</math> means the volume of capacity at the foot of the final demand curve.</p> <p>(d) calculate the amount of <b>capacity</b> that, if withheld, will raise the clearing price from <math>y_{ip}</math> to 1.1 times <math>y_{ip}</math> using the following formula:</p> $w_1 = 0.1/m \times y_{ip}$ <p>Where:</p> <p><math>w_1</math> means the amount of <b>capacity</b> in MW, if withheld, will raise the clearing price from <math>y_{ip}</math> to 1.1 <math>y_{ip}</math>;</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the</p>	

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>base auction</b>, determined in subsection 2(1)(a); and</p> <p><i>m</i> means the slope above the inflection point of the final demand curve established for the <b>base auction</b>, calculated in accordance with subsection 2(1)(a)(ii).</p> <p>(e) calculate, the amount of <b>capacity</b> that, if withheld, will raise the clearing price from <math>y_{ip} / 1.1</math> to <math>y_{ip}</math> using the formula:</p> $w_2 = 0.1/1.1n \times y_{ip}$ <p>Where:</p> <p><math>w_2</math> means the amount of <b>capacity</b> in MW, if withheld, will raise the clearing price from <math>y_{ip} / 1.1</math> to <math>y_{ip}</math>;</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>, determined in subsection 2(1)(a); and</p> <p><i>n</i> means the slope below the inflection point of the final demand curve established for the <b>base auction</b>.</p> <p>(f) calculate the average of the <b>capacity</b> referred to in subsections 2(1)(c) and 2(1)(d) using the formula:</p> $w = (w_1 + w_2)/2 = (0.1/2m + 0.1/2.2n) \times y_{ip}$ <p>Where:</p> <p><i>w</i> means the average of the <b>capacity</b> in MW referred to in subsections 2(1)(d) and 2(1)(e) and is the minimum amount of <b>capacity</b> in MW to be withheld above and below the inflection point to effect a 10% change in the clearing price;</p> <p><math>w_1</math> means the value in MW calculated in subsection 2(1)(a);</p> <p><math>w_2</math> means the value in MW calculated in subsection 2(1)(b);</p> <p><i>m</i> means the slope above the inflection point of the final demand curve established for the <b>base auction</b>, calculated in accordance with subsection 2(1)(a)(ii);</p> <p><i>n</i> means the slope of the final demand curve below the inflection point; and</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>, determined in subsection 2(1)(a);</p> <p>(g) calculate the minimum amount of <b>capacity</b> that a <b>person</b> must have under its offer</p>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>control to withhold the amount of <b>capacity</b> calculated in subsection 2(1)(f) from the capacity market without sustaining any financial loss, using the following steps:</p> <p>(i) determine the amount of <b>capacity</b> under the offer control of a <b>person</b> that, if the amount calculated in 2(1)(f) is economically withheld from the capacity market, that <b>person</b> would earn revenue from the capacity market that is no less than the amount the <b>person</b> would earn absent of the withholding, using the formula:</p> $1.1 \times p \times (q - w) \geq p \times q$ <p>Where:</p> <p><i>q</i> means the amount of <b>capacity</b>, in MW referred to in subsection 2(1)(g), held by a <b>person</b> and its associates, as associate is described in the <i>Fair, Efficient, and Open Competition Regulation</i>;</p> <p><i>p</i> means the market clearing price absent of the withholding; and</p> <p><i>w</i> means the amount of <b>capacity</b> in MW referred to in subsection 2(1)(f);</p> <p>(ii) determine the minimum amount of <b>capacity</b> referred to in subsection 2(1)(g), using the formula:</p> $q = 11 \times \{(0.1/2m + 0.1/2.2n) \times y_{ip}\}$ <p>Where:</p> <p><i>q</i> means the minimum amount of <b>capacity</b>, in MW referred to in subsection 2(1)(g), held by a <b>person</b> and its associates, as associate is described in the <i>Fair, Efficient, and Open Competition Regulation</i>;</p> <p><i>m</i> means the slope above the inflection point of the final demand curve established for the <b>base auction</b> in subsection 2(1)(b);</p> <p><i>n</i> means the slope of the final demand curve below the inflection point; and</p> <p><i>y<sub>ip</sub></i> means the price corresponding to the inflection point on the final demand curve established for the <b>base auction</b>.</p>	
2	(2)	<p>The <b>ISO</b> must identify those <b>persons</b> that have offer control over an amount of <b>capacity</b> that is greater than or equal to the amount of <b>capacity</b> calculated in subsection 2(1)(g), where <b>capacity</b> is measured by <b>uniform capacity values</b>, excluding such <b>capacity</b> that is <b>new capacity</b> or incremental capacity.</p>	Please publish this data annually.

Section	Subsection	Proposed language	Stakeholder comments
2	(3)	<p>The <b>ISO</b> must, in accordance with the timelines established in the <i>Capacity Market Auction Guidelines</i>:</p> <ul style="list-style-type: none"> <li>(a) publish the minimum amount of <b>capacity</b> identified in subsection 2(1)(g); and</li> <li>(b) notify a <b>person</b> that has been identified in subsection 2(2) as having market power.</li> </ul>	Please publish this data annually, including identifying the market participant that has market power.
		<b>Offer price cap</b>	
3		<p>Subject to subsection 4, a <b>person</b> that has received a notification in accordance with subsection 2(3)(b) that they have market power must, with respect to an asset under the <b>offer control</b> of such <b>person</b>, except for <b>new capacity</b>, refurbished capacity, or incremental capacity, submit an <b>offer</b> in a <b>base auction</b> at or below an <b>offer price cap</b> as follows:</p> <ul style="list-style-type: none"> <li>(a) where the price cap for the <b>base auction</b> is set at a multiple of net-CONE in accordance with Section 207.3 of the <b>ISO rules, Shape of Demand Curve</b>, the <b>offer price cap</b> is an amount that is 80% of the net-CONE; or</li> <li>(b) where the price cap for the <b>base auction</b> is set at a multiple of gross-CONE in accordance with Section 207.3 of the <b>ISO rules, Shape of Demand Curve</b> the <b>offer price cap</b> is an amount that is 80% of the ratio between the multiple of gross-CONE and the multiple of net-CONE specified in Section 207.3 of the <b>ISO rules, Shape of Demand Curve</b> multiplied by gross-CONE.</li> </ul>	No comment at this time.
		<b>Asset-specific offer price cap</b>	
4	(1)	A <b>person</b> that has received a notification in accordance with subsection 2(3)(b) as having market power may submit to the <b>ISO</b> , in the form and manner the <b>ISO</b> specifies, a request for an asset-specific offer price cap to offer <b>capacity</b> from an asset under the <b>offer control</b> of such <b>person</b> , except for <b>new capacity</b> , refurbished capacity or incremental capacity, above the <b>offer price cap</b> established in subsection 4.	
4	(2)	<p>A <b>person</b> requesting an asset-specific price cap, in accordance with subsection 4(1), must submit to the <b>ISO</b> the following:</p> <ul style="list-style-type: none"> <li>(a) the asset to which the asset-specific price cap request applies;</li> </ul>	It would be useful for the AESO to publish a manual of acceptable avoidable costs.

Section	Subsection	Proposed language	Stakeholder comments
		<ul style="list-style-type: none"> <li>(b) avoidable costs of the asset for the <b>obligation period</b>;</li> <li>(c) any costs necessary for the <b>ISO</b> to calculate the energy and ancillary services offset in accordance with subsection 4(4)(a); and</li> <li>(d) an attestation from a corporate officer of the <b>legal owner</b> that has <b>offer control</b> over the asset that the information provided pursuant to subsections 4(2)(b) and 4(2)(c) are complete and accurate.</li> </ul>	
4	(3)	The <b>ISO</b> may, with respect to the avoidable costs submitted pursuant to subsection 4(2)(b), exclude costs items that are unreasonable.	
4	(4)	<p>The <b>ISO</b> must, when a request is made for an asset-specific price cap under subsection 4(1)(a):</p> <ul style="list-style-type: none"> <li>(a) calculate the energy and ancillary services offset, as applicable, using the methodology set out in Section 206.11 of the <b>ISO rules, Energy and Ancillary Services Offset for Assets</b> for the asset to which the request for the asset-specific offer price cap applies; and</li> <li>(b) subtract the energy and ancillary services offset referred to in subsection 4(4)(a) from the avoidable costs submitted pursuant to subsection 4(2)(b) that have not been excluded by the <b>ISO</b> pursuant to subsection 4(3).</li> </ul>	
4	(5)	The <b>ISO</b> must, if it determines the amount calculated in subsection 4(4)(b) is greater than the <b>offer</b> price cap referred to in subsection 3, provide an asset-specific price cap equal to the amount determined in subsection 4(4)(b) to the <b>person</b> that submitted the asset-specific price cap request under subsection 4(1)(a).	
4	(6)	A <b>person</b> must, if the <b>person</b> has been provided an asset-specific offer price cap in accordance with subsection 4(5), submit an <b>offer</b> in the <b>base auction</b> at a price equal to or below the asset-specific <b>offer</b> price cap for the <b>capacity</b> from an asset referred to in subsection 4(2)(a).	
4	(7)	A <b>person</b> must, if the <b>person</b> does not receive an asset-specific price cap pursuant to subsection 4(5), submit an <b>offer</b> in the <b>base auction</b> at or below the <b>offer</b> price cap established in subsection 3 for the <b>capacity</b> from an asset referred to in subsection	

Section	Subsection	Proposed language	Stakeholder comments
		4(2)(a).	

**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 new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because mitigation is expected to be part of the design and its structure will be part of determining the success of the capacity market.
2	whether you agree that the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> should [or should not] be in effect for a fixed term and why or why not	A fixed term would provide more certainty on process.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> and whether, in your view, the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarification is required with respect to transparency.
4	how, in your view, the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> affects the performance of the capacity market and the electricity market	IPCAA submits that transparency is required in order for the capacity market to perform as designed. This rule will need some clarification.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i>	N/A
6	whether you agree with the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i>	Please see comments above.
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires clarification regarding transparency before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	This rule requires clarification regarding transparency.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 206.7, Capacity Market Mitigation.***

Please see comments above.

Proposed New ISO rule – Section 206.11, *Energy and Ancillary Services Offset for Assets*

<b>Period of Comment:</b>	September 7, 2018 through September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)	<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28	<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

**Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.**

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.11 applies to: <ul style="list-style-type: none"> <li>(a) the <b>ISO</b>; and</li> <li>(b) a <b>capacity market participant</b> requiring an energy and ancillary services offset for and asset.</li> </ul>	
		<b>Requirements</b> <b>Calculation of Energy and Ancillary Services Offset for Assets</b>	
2	(1)	The <b>ISO</b> must, when required under Section 201.15 of the <b>ISO rules</b> , <i>Delisting</i> and Section 206.8 of the <b>ISO rules</b> , <i>Capacity Market Mitigation</i> , for every <b>obligation period</b> or portion of an <b>obligation period</b> , calculate the energy and ancillary services offset value in accordance with the following formula: $\text{EAS Offset}_t = \frac{(\text{Forward Power Price}_t - \text{Energy Market Expense}_t) \times \text{Forward Product Energy}_t + \text{Other non - electricity market revenues}}{\text{Nameplate Capacity} \times 1000}$ where; <ul style="list-style-type: none"> <li>(i) <i>t</i> equals the <b>obligation period</b> or portion of an <b>obligation period</b>, for</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>which the energy and ancillary services offset is being determined;</p> <p>(ii) EAS Offset <math>_t</math> in \$/kW, is the revenue less variable cost offset of the asset and includes energy and ancillary services revenues as well as all other non-electricity market revenues the asset may be expected to obtain such as revenues from the sale of renewable attributes an for <b>obligation period <math>t</math></b>;</p> <p>(iii) Forward Power Price <math>_t</math> is in \$/MWh and is the weighted average of the settlements matching the <b>obligation period <math>t</math></b>, where the settlements are the average over a period determined by the <b>ISO</b>, of the published NGX forward power product in Appendix 1 that yields the highest EAS Offset <math>_t</math> for <b>obligation period <math>t</math></b>.</p> <p>(iv) Energy Market Expense <math>_t</math> is the energy market expenses for the asset in \$/MWh for <b>obligation period <math>t</math></b> calculated in accordance with subsection 2(5) below;</p> <p>(v) Forward Product Energy <math>_t</math> is the forward product energy value in MWh for <b>obligation period <math>t</math></b> calculated in accordance with subsection 2(4) below; and</p> <p>(vi) Nameplate Capacity is the <b>maximum capability</b> of the asset.</p>	
2	(2)	The <b>ISO</b> must, when determining the Forward Power Price $_t$ for hydro assets, wind assets, storage assets, solar assets and thermal assets with an availability factor less than 50%, multiply the forward power price with a forward power price adjustment factor, as calculated in subsection 2(3).	
2	(3)	The <b>ISO</b> must calculate the forward power price adjustment factor as the realized energy revenues from the immediately preceeding <b>obligation period</b> divided by the average <b>pool price</b> from the immediately preceeding <b>obligation period</b> where the realized energy revenues equal hourly production of the asset in MWh multiplied by the <b>pool price</b> in each of those hours.	
2	(4)	The <b>capacity market participant</b> must provide the <b>ISO</b> with the expectation of forward product energy production in MWh for the asset during the <b>obligation period <math>t</math></b> or a portion of an obligation period, for which the generation is being determined.	It is not clear how this value is established or verified by the ISO. Can the AESO provide some clarification?

Section	Subsection	Proposed language	Stakeholder comments
2	(5)	<p>The <b>ISO</b> must, in calculating the EAS Offset <math>t</math> under subsection 2(1) above, calculate the Energy Market Expense <math>t</math> using the following formula:</p> $\text{Energy Market Expense}_t = [\text{Forward Fuel Price}_t + (1 + \text{Commodity Fuel Charge}_t)] \times \text{Heat Rate}_t + \text{Variable Operations and Maintenance}_t + (\text{Emission Intensity} - \text{Established Benchmark}_t) \times \text{Carbon Price}_t + \text{Transmission Losses}_t + \text{Trading Charge}_t$ <p>where;</p> <ul style="list-style-type: none"> <li>(i) <math>t</math> equals the <b>obligation period</b>, or the portion of an <b>obligation period</b>, for which the energy and ancillary services offset is being determined;</li> <li>(ii) Forward Fuel Price <math>t</math> is <ul style="list-style-type: none"> <li>(A) For natural gas fueled assets: the weighted average of the settlements matching <b>obligation period</b> <math>t</math>, where the settlements are the average over the period determined by the <b>ISO</b> in subsection 2(1)(i), of NGX Phys, FP (CA/GJ), AB-NIT;</li> <li>(B) For thermal assets that are not fueled by natural gas: the <b>capacity market participant</b> must provide the <b>ISO</b> the expected variable cost of fuel in \$/GJ, including variable transportation charges, for the asset during the <b>obligation period</b> <math>t</math>.</li> <li>(C) For non thermal assets: this variable does not apply</li> </ul> </li> <li>(iii) Commodity Fuel Charge <math>t</math> relates to natural gas fueled assets only and is the most recent 12 <b>month</b> average of published NOVA Gas Transmission Ltd NGTL Fuel Usage and Measurement Variance;</li> <li>(iv) Heat Rate relates to thermal assets only; the <b>capacity market participant</b> must provide the <b>ISO</b> the fuel consumption efficiency of the asset in GJ/MWh for the <b>obligation period</b> <math>t</math>;</li> <li>(v) Variable Operations and Maintenance <math>t</math> the <b>capacity market participant</b> must provide the <b>ISO</b> the variable operations and maintenance costs of the asset for <b>obligation period</b> <math>t</math> in \$/MWh, excluding any fuel related</li> </ul>	<ul style="list-style-type: none"> <li>(ii) (B) “transporation” should be “<b>transportation</b>”.</li> <li>(vi) “emited” should be “<b>emitted</b>”</li> <li>“electricity” should be “<b>electricity</b>”</li> <li>“Intensity” should be “<b>Intensity</b>”</li> </ul> <p>The Emission Intensity value should be the same value as submitted to government authorities for emission intensity for the asset.</p> <p>Is there a rule that any information provided by the market participant should be auditable by the ISO? This would be a valuable addition to ensure the submissions are accurate.</p>

Section	Subsection	Proposed language	Stakeholder comments
		<p>costs and any amortized or capitalized costs;</p> <p>(vi) Emission Intensity is the amount of CO2 emitted by the asset when producing a MWh of electricity; the <b>capacity market participant</b> must provide the <b>ISO</b> the Emissions Intensity for the asset in tonnes of CO2/MWh;</p> <p>(vii) Established Benchmark <math>_t</math> is the weighted average of the calendar year values matching <b>obligation period</b> <math>t</math> for an established benchmark for electricity published by a public authority;</p> <p>(viii) Carbon Price <math>_t</math> is the weighted average of the calendar year values matching <b>obligation period</b> <math>t</math> for the carbon price published by a public authority for carbon emissions in Alberta;</p> <p>(ix) Transmission Losses <math>_t</math> is the transmission loss value for <b>obligation period</b> <math>t</math> in \$/MWh calculated as the loss factor of the asset multiplied the Forward Power Price <math>_t</math> where:</p> <ul style="list-style-type: none"> <li>(i) the loss factor is the most recent published loss factor for the asset published on the AESO website; and</li> <li>(ii) Forward Power Price <math>_t</math> for <b>obligation period</b> <math>t</math> is the value in subsection 2(1)(a)(iii).</li> </ul> <p>(x) Energy Market Trading Charge <math>_t</math> is the most recent energy market trading charge in \$/MWh published on the AESO website.</p>	

*Please provide your comments on this rule's appendices:*

Empty comment box

**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 new ISO Rule – Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because the EAS offset will help determine the total revenue of a supplier.
2	whether you agree that the proposed new ISO Rule – Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> should [or should not] be in effect for a fixed term and why or why not	A fixed term would provide more certainty on process. There are some large concerns about use of the forward price, so a built in review for this rule would help.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> and whether, in your view, the proposed new ISO Rule – Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarification is required with respect to how the ISO plans to ensure accuracy. There are large concerns with the illiquidity of the forward market.
4	how, in your view, the proposed new ISO Rule – Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> affects the performance of the capacity market and the electricity market	IPCAA submits that information accuracy is required in order for the capacity market to perform as designed. This rule will need some clarification.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i>	N/A
6	whether you agree with the proposed new ISO Rule – Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.11, <i>Energy and Ancillary Services Offset for Assets</i>	Please see comments above.
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires clarification regarding accuracy before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	This rule requires clarification around assuring accuracy.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 206.11, Energy and Ancillary Services Offset for Assets.***

An ID should include a manual on appropriate expenses that are allowed.

Proposed New ISO rule – Section 203.5, *Energy Market Mitigation*

<b>Period of Comment:</b>	September 7, 2018 through September 28, 2018	<b>Contact:</b>	Vittoria Bellissimo
<b>Comments From:</b>	Industrial Power Consumers Association of Alberta (IPCAA)	<b>Phone:</b>	403 966 2700
<b>Date [yyyy/mm/dd]:</b>	2018/09/28	<b>Email:</b>	Vittoria.Bellissimo@IPCAA.ca

*Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.*

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 203.5 applies to: <ul style="list-style-type: none"> <li>(a) a <b>pool participant</b> that submit <b>offers</b> in the energy market for a <b>source asset</b> ;</li> <li>(b) the <b>legal owner</b> of a <b>generating unit</b> or <b>aggregated generating facility</b>; and</li> <li>(c) the <b>ISO</b>.</li> </ul>	
		<b>Requirements</b> <b>Expected Supply Cushion for Mitigation</b>	
2	(1)	The <b>ISO</b> must: <ul style="list-style-type: none"> <li>(a) publish the method for calculating the expected supply cushion on the AESO website; and</li> <li>(b) provide 120 days' notice notice to <b>pool participant</b> before changing to the method for calculating the expected supply cushion published in accordance with subsection 2(1)(a).</li> </ul>	(b) repeat of "notice"  The method for calculating the supply cushion is authoritative and should be included in the Rule and undergo the required consultation. There should be consultation with market participants to determine the methodology to calculate the supply cushion. This should include details as to the obligations of the suppliers to provide, at ALL times, the most up to date information. Currently, in the summer, natural gas generator deratings are incorrect until the last few hours before dispatch.

Section	Subsection	Proposed language	Stakeholder comments
2	(2)	<p>The <b>ISO</b> must, for each <b>settlement interval</b>:</p> <ul style="list-style-type: none"> <li>(a) calculate the expected supply cushion using the method published in accordance with subsection 2(1)(a);</li> <li>(b) publish the expected supply cushion on the AESO website prior to the <b>settlement interval</b>;</li> <li>(c) update the expected supply cushion as soon as reasonably practicable upon a change to 1 or more of the inputs to the calculation of the expected supply cushion;</li> <li>(d) select a value of the expected supply cushion observed during the two hours immediately prior to the <b>settlement interval</b>;</li> <li>(e) publish the value of the expected supply cushion which is selected for each <b>settlement interval</b> under subsection 2(2)(d) as soon as reasonably practicable after such selection is made.</li> </ul>	
		<b>Asset-Specific Cost Information –Generating Unit or Aggregated Generating Facility</b>	
3	(1)	<p>A <b>pool participant</b> must submit to the <b>ISO</b>, in the manner the <b>ISO</b> specifies, the following cost information related to the short-run marginal costs for a thermal <b>generating unit or aggregated generating facility</b>:</p> <ul style="list-style-type: none"> <li>(a) heat rate;</li> <li>(b) if the <b>source asset</b>'s fuel is not natural gas, fuel cost;</li> <li>(c) financial exposure to greenhouse gas emissions costs; and</li> <li>(d) any further cost information the <b>ISO</b> specifies.</li> </ul>	<p>“specifies” should be “<b>specifies</b>”</p> <p>After-the-fact, the AESO should make available to all participants average daily fuel cost of all source assets, where the fuel is NOT natural gas.</p> <p>It is not clear what financial exposure to GHG emissions costs means.</p>
3	(2)	<p>A <b>pool participant</b> must, in relation to the cost information submitted pursuant to subsection 3(1):</p> <ul style="list-style-type: none"> <li>(a) submit the cost information to the <b>ISO</b>: <ul style="list-style-type: none"> <li>(i) for a <b>generating unit or aggregated generating facility</b> that has</li> </ul> </li> </ul>	<p>(c) “withsubsection” should be “<b>with subsection</b>”</p>

Section	Subsection	Proposed language	Stakeholder comments
		<p>energized and commissioned, on or before a date the <b>ISO</b> specifies; or</p> <p>(ii) for a <b>generating unit</b> or <b>aggregated generating facility</b> that has not completed energization and <b>commissioning</b>, before the energization and <b>commissioning</b> of such <b>generating unit</b> or <b>aggregated generating facility</b>.</p> <p>(b) determine the values of such cost information assuming that the <b>generating unit</b> or <b>aggregated generating facility</b> is operating under normal operating conditions at <b>maximum capability</b>; and</p> <p>(c) submit updated cost information to the <b>ISO</b> as soon as reasonably practicable upon becoming aware of any material change in the cost information submitted in accordance with subsection 3(1).</p> <p>(d) an attestation by a corporate officer of the <b>pool participant</b> that the cost information provided pursuant to subsection 3(1) is complete and accurate.</p>	
3	(3)	The <b>ISO</b> may, with respect to cost information submitted pursuant to subsection 3(1), exclude costs determined by the <b>ISO</b> to be unreasonable.	The ISO should provide a manual to all market participants as to which costs are included and which costs are excluded. This should be provided in the rule or in an appendix. Any submission by a market participant to include certain costs should be disclosed to all market participants.
3	(4)	The <b>ISO</b> must select alternate values for the cost information submitted pursuant to subsection 3(1) if such costs have been excluded pursuant to subsection 3(3).	
3	(5)	<p>The <b>ISO</b> must:</p> <p>(a) identify the current carbon price from the appropriate public authority;</p> <p>(b) identify the natural gas price for each <b>day</b> on a day-ahead basis, or as close to a day-ahead basis as reasonably practicable; and</p> <p>(c) estimate the variable operations and maintenance costs for a <b>generating unit</b> or <b>aggregated generating facility</b> on a class-specific basis.</p>	Both (a) and (b) should be published daily by the AESO.
		<b>Asset-Specific Reference Price – Generating Unit or Aggregated Generating Facility</b>	
4	(1)	The <b>ISO</b> must, using the cost information derived pursuant to subsection 3, calculate an estimated short-run marginal cost for producing power, measured in dollars per MWh, for	

Section	Subsection	Proposed language	Stakeholder comments
		<p>each <b>generating unit or aggregated generating facility</b> for each <b>settlement interval</b> as a sum of the following:</p> <ul style="list-style-type: none"> <li>(a) the heat rate multiplied by the fuel price, if applicable;</li> <li>(b) the exposure to greenhouse gas emissions costs multiplied by the carbon price from the appropriate public authority, if applicable; and</li> <li>(c) the estimated variable operations and maintenance cost.</li> </ul>	
4	(2)	<p>The <b>ISO</b> must, using the estimated short-run marginal costs derived pursuant to subsection 4(1), set the asset-specific reference price for each <b>generating unit or aggregated generating facility</b> for each <b>settlement interval</b> as an amount equal to:</p> <ul style="list-style-type: none"> <li>(a) the estimated short run marginal cost multiplied by 3, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 1,000 MW or greater;</li> <li>(b) the estimated short run marginal cost multiplied by 6, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 250 MW or greater and less than 1,000 MW; and</li> <li>(c) the maximum permissible price for an <b>offer</b> made under section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is less than 250 MW.</li> </ul>	IPCAA is concerned with the levels proposed by the AESO. Please see our CMD comments.
		<p><b>Asset-Specific Reference Price – Prescribed Non-Thermal Generating Source Assets Capable of Storing Energy</b></p>	
5	(1)	<p>The <b>ISO</b> may prescribe a set of non-thermal generating <b>source assets</b> to which this subsection 5 is applicable, provided that each generating <b>source asset</b> is capable of storing its fuel.</p>	
5	(2)	<p>The <b>ISO</b> must, if the <b>ISO</b> prescribes a set of generating <b>source assets</b> in accordance with subsection 5(1) publish the list of such prescribed generating <b>source assets</b> on the AESO website.</p>	
5	(3)	<p>The <b>ISO</b> must, subject to subsection 5(4), set the asset-specific reference price for generating <b>source assets</b> prescribed pursuant to subsection 5(1) for each <b>settlement</b></p>	IPCAA is concerned with these limit levels. Can the AESO explain its rationale for these, including other options that were considered?

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>interval</b> as an amount equal to:</p> <ul style="list-style-type: none"> <li>(a) the 30-day rolling average <b>pool price</b> most recently published by the <b>ISO</b> multiplied by 3, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 1,000 MW or greater;</li> <li>(b) the 30-day rolling average <b>pool price</b> most recently published by the <b>ISO</b> multiplied by 6, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 250 MW or greater and less than 1,000 MW; and</li> <li>(c) the maximum permissible price for an <b>offer</b> made under section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)( d) is less than 250 MW.</li> </ul>	
5	(4)	<p>Notwithstanding subsection 5(3), if a <b>pool participant</b>, for any generating <b>source asset</b> prescribed pursuant to subsection 5(1) for a <b>settlement interval</b>, has satisfied the asset-specific requirements for participation in the <b>ancillary services</b> market referred to in subsection 5(5), then the <b>ISO</b> must, set the asset-specific reference price for such generating <b>source asset</b> for the <b>settlement interval</b> as an amount equal to the maximum permissible price for an <b>offer</b> made under Section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>.</p>	
5	(5)	<p>The <b>ISO</b> must:</p> <ul style="list-style-type: none"> <li>(a) publish the asset-specific requirements for participation in the <b>ancillary services</b> market on the AESO website; and</li> <li>(b) provide 120 days' notice to <b>pool participants</b> before changing to the asset-specific requirements published in accordance with subsection 5(5)(a).</li> </ul>	
		<p><b>Asset-Specific Reference Price – Import Source Assets</b></p>	
6	(1)	<p>The <b>ISO</b> must set the asset-specific reference price for each import <b>source asset</b> for each <b>settlement interval</b> as an amount equal to:</p> <ul style="list-style-type: none"> <li>(a) <math>MidC(on\ peak) + \min\{100, 3 * MidC(on\ peak)\}</math>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 1,000 MW or greater;</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>(b) <math>MidC(on\ peak) + \min\{100, 6 * MidC(on\ peak)\}</math>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 250 MW or greater and less than 1,000 MW;</p> <p>where <i>MidC(on peak)</i> is the day-ahead, on-peak price in the Mid-Columbia market for delivery on the same <b>day</b> as the energy market in Alberta;</p> <p>or</p> <p>(c) the maximum permissible price for an <b>offer</b> made under section 203.1 of the <b>ISO rules</b>, <i>Offers and Bids for Energy</i>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(1)(d) is less than 250 MW.</p>	
		<p><b>Asset-Specific Reference Price – Limitations and Exemptions</b></p>	
7	(1)	<p>Notwithstanding subsections 4, 5 and 6, the <b>ISO</b> must not set the asset-specific reference price for any <b>source asset</b> for any <b>settlement interval</b> as an amount:</p> <p>(a) less than \$25/MWh; or</p> <p>(b) greater than the maximum permissible price for an <b>offer</b> made under section 203.1 of the <b>ISO rules</b>, <i>Offers and Bids for Energy</i>.</p>	
7	(2)	<p>A <b>pool participant</b> may request that the <b>ISO</b> provide a variance from any asset-specific reference price determined pursuant to subsections 4, 5, or 6.</p>	
7	(3)	<p>The <b>ISO</b> may, upon receiving a request pursuant to subsection 7(2), assign a different asset-specific reference price determined pursuant to subsections 4, 5, or 6 if the <b>ISO</b> is satisfied that the <b>pool participant</b> would not be able to reasonably recover the short run marginal costs and cycling costs of the <b>source asset</b> within the scope of the asset-specific reference price determined pursuant to subsections 4, 5, or 6.</p>	<p>This should be transparent to all market participants.</p>
		<p><b>Market Power Screen</b></p>	
8	(1)	<p>The <b>ISO</b> must identify those <b>persons</b>, using the methodology for the calculation of market share offer control described in section 5 of the <i>Fair, Efficient, and Open Competition Regulation</i>, that have offer control over one or more <b>source assets</b> for the purposes of identifying a <b>person</b> as having market power.</p>	

Section	Subsection	Proposed language	Stakeholder comments
8	(2)	The <b>person</b> identified under subsection 8(1) may submit to the <b>ISO</b> , in the manner the <b>ISO</b> specifies, <b>supply obligations</b> in MW for each <b>settlement interval</b> , at least 2 hours prior to the start of the <b>settlement interval</b> , for the purposes of the expected residual supply index.	There has to be a way to provide transparency over the numbers while not “outing” the market participant or impacting the market. Has the AESO considered after-the-fact within a month?
8	(3)	A <b>person</b> who submits <b>supply obligations</b> in accordance with subsection 8(2) must submit a value that is equal to or less than the <b>person's</b> actual <b>supply obligations</b> .	
8	(4)	The <b>ISO</b> must, for each <b>person</b> identified under subsection 8(1) and in the <b>offer control information</b> for an <b>operating block</b> in respect of a <b>settlement interval</b> , calculate a value called the expected residual supply index for each <b>settlement interval</b> for the <b>person</b> identified under subsection 8(1) as follows: (a) the expected supply from all <b>source assets</b> for the <b>settlement interval</b> ; (b) minus the expected supply from all <b>source assets</b> under the offer control of a <b>person</b> identified under subsection 8(1), net of the <b>supply obligations</b> of the <b>person</b> identified under subsection 8(1), for the <b>settlement interval</b> ; and (c) divided by expected demand from all <b>sink assets</b> for the <b>settlement interval</b> .	Can the AESO provide an equation for this subsection in order to make it more clear?
8	(5)	The <b>ISO</b> must select the expected residual supply index referenced in subsection 8(1) during the 2 hours immediately prior to the <b>settlement interval</b> .	
8	(6)	The <b>ISO</b> must identify a <b>person</b> with a expected residual supply index of less than 1 for a given <b>settlement interval</b> as having market power in that <b>settlement interval</b> .	“a” should be “ <b>an</b> ” There should be after-the-fact transparency by hour with respect to market participants judged as having market power.
8	(7)	The <b>ISO</b> must not reconsider the conclusion drawn under subsection 8(4) if market conditions change at any time after the expected residual supply index is selected for the <b>settlement interval</b> under subsection 8(3).	
		<b>Mitigation of Market Power</b>	
9	(1)	The <b>ISO</b> must, for each <b>settlement interval</b> , identify each <b>operating block</b> associated with a <b>source asset</b> under the offer control of a <b>person</b> identified under subsection 8(4) that has an <b>offer price</b> that is greater than the asset-specific reference price of the related <b>source asset</b> which was determined pursuant to subsections 4, 5, or 6.	

Section	Subsection	Proposed language	Stakeholder comments
9	(2)	<p>Subject to subsection 9(3), the <b>ISO</b> must change the <b>offer</b> price of an <b>operating block</b> identified under subsection 9(1) to the asset-specific reference price of the associated <b>source asset</b> as determined under subsection 4, 5 or 6 if the <b>operating block</b> is:</p> <ul style="list-style-type: none"> <li>(a) controlled by a single <b>person</b> that has been identified as having market power under subsection 8(4),</li> <li>(b) controlled by multiple <b>persons</b> which have all been identified as having market power under subsection 8(4), or</li> <li>(c) declared to be inflexible in accordance with Section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>, and is at least partially controlled by a <b>person</b> that has been identified as having market power under subsection 8(4).</li> </ul>	
9	(3)	<p>The <b>ISO</b> must, if an <b>operating block</b> identified under subsection 9(1) is declared to be flexible under Section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>, and is partially, but not fully, controlled by one or more <b>person</b> identified as having market power under subsection 8(4), split the existing <b>operating block</b> into two <b>operating blocks</b> as follows:</p> <ul style="list-style-type: none"> <li>(a) create a new <b>operating block</b> that contains the quantity of the existing <b>operating block</b> that is controlled by the <b>person</b> identified as having market power under subsection 8(4) and select an <b>offer</b> price equal to the asset-specific reference price of the associated <b>source asset</b>; and</li> <li>(b) reduce the quantity of the existing <b>operating block</b> by the quantity of the newly created <b>operating block</b>, with no associated change made to the <b>offer</b> price of the <b>operating block</b>.</li> </ul>	<p>There are only 7 blocks available, what happens if all 7 are already used? How does the AESO create a new block? Please explain.</p>
		<p><b>Timely Information from Legal Owner</b></p>	
10		<p>A <b>legal owner</b> of a <b>generating unit or aggregated generating facility</b> must, if it is not the <b>pool participant</b> for that <b>generating unit or aggregated generating facility</b>:</p> <ul style="list-style-type: none"> <li>(a) provide such timely and complete information to the pool participant for such source asset to enable the pool participant to comply with its obligations under subsection 3; and</li> <li>(b) provide an attestation to the <b>pool participant</b> from a corporate officer of the <b>legal owner</b> of such <b>generating unit or aggregated generating facility</b> to enable the <b>pool participant</b> to comply with its obligations under subsection</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		3(2)d.	

**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 new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> relates to the capacity market and why or why not	Please note this should read AUC Rule 017 Section 13.2 (b-j). IPCAA agrees that this proposed new ISO rule relates to the capacity market because energy market mitigation is expected to be part of the design and its structure will be part of determining the success of the capacity market.
2	whether you agree that the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> should [or should not] be in effect for a fixed term and why or why not	A fixed term would provide more certainty on process.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> and whether, in your view, the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> meets the objective or purpose	IPCAA understands and agrees with the purpose of the proposed rule. IPCAA submits that some clarifications and explanations are required.
4	how, in your view, the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> affects the performance of the capacity market and the electricity market	IPCAA submits that transparency is required in order for the capacity market and the electricity market to perform as designed. This rule will need some clarification.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i>	N/A
6	whether you agree with the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	No comment at this time.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i>	Please see comments above.

Item #		Stakeholder comments
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	This rule requires clarification regarding transparency before IPCAA can comment on this.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	There needs to be more transparency on costs and mitigated offers. This can be done after-the-fact, but not later than 4 months after-the-fact. Market participants, observers, academics, etc., need to see what occurred in order to review the market outcomes and determine if the design is effective.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 203.5, Energy Market Mitigation.***

The AESO needs a market manual on acceptable costs that can be updated by the AESO and transparent to all market participants. The AESO should not accept costs that are not included in manual. The manual should be provided as part of the rule or an appendix, with explanations in an ID.