MARKET SURVEILLANCE ADMINISTRATOR

#500, 400 – 5th Avenue S.W.
Calgary AB T2P 0L6
MSA File: 16-006

October 1, 2018

To: Alberta Electric System Operator

Re: Set 2 & 3 Capacity Market Rules Consultation

INTRODUCTION AND BACKGROUND

The Market Surveillance Administrator ("MSA") has the following comments regarding the second and third sets of draft provisional ISO rules as well as Information Document 201.13.

MSA staff attended the AESO's consultation sessions for the set 2 and 3 proposed ISO Rules. The MSA understands that the AESO is not seeking comments on the market design at this time but rather on the form of the proposed ISO Rules.

The MSA published its preliminary view on the market design, CMD Final, via a notice to its website dated August 23, 2018. Since that time the MSA has filed a statement of intent to participate in Alberta Utilities Commission proceeding 23757 which stated that the MSA has hired an independent third party consultant to provide an opinion on the ISO Rules. The lack of commentary in relation to any particular rule or portion thereof should not be taken as agreement with such proposed ISO rule and the MSA reserves the right to address any issues related to the proposed ISO rules in the Commission proceeding.

GENERAL COMMENTS

A. Authoritative content in information documents

The MSA is concerned about authoritative content being placed in information documents that are subject to change. The MSA appreciates that the AESO has released draft information documents for comment and the MSA expects to make further submissions on what specific information is, more properly placed in an ISO Rule. In the MSA's view ISO rules should be clear and unambiguous such that information documents are not required to understand each ISO Rule. Information documents should be limited to non-authoritative content such a phone numbers and examples.

B. Attestation

The MSA notes that a number of proposed ISO Rules require attestation by a corporate officer. The MSA suggests that there be an obligation to update the AESO if there is a material change to the information that is the subject of the attestation.

C. Definitions

The MSA has placed the majority of its comments in the comment matrixes. However, the MSA wishes to emphasize that key terms should be defined in Consolidated Authoritative Documents Glossary and not in an individual ISO Rule or an Information Document. Below is a list of terms that the MSA recommends being added:

- "Supply cushion" including how metrics that go into the supply cushion. It appears that there will be two measurements of supply cushion one for the mitigation regime (ISO Rule Section 203.5) which is calculated ex-ante and one for the performance assessments which is calculated ex-post see Rule 206.8). This may not be consistent with CMD-Final because all analysis the AESO has presented to support the design uses ex-post supply cushion calculations.
- "Residual Supply Index"';
- "Affiliate" The MSA believes that the AESO should definite affiliate in the glossary. The MSA is of the view that the definition in the Business Corporations Act may need refinement;[1]
- "Social surplus" is defined in the information document for ISO Rule Section 201.13. The definition should be in the *Consolidated Authoritative Documents Glossary* rather than an information document;
- "Refurbished capacity";
- "Incremental capacity"
- "Avoidable cost";
- "Regulatory authority" which regulatory authorities would be able to request an asset delist? A list of the applicable regulatory authorities in the rule or in the CADG would be helpful.
- "Asset classes" what is the definition of asset classes in ISO Rule Section 206.5? Size, fuel type, generator/load?;
- "Settlement prices" See Rule 206.11 Section 2(1) for further comments; and
- "Maximum capability."

[1] See (https://albertamsa.ca/uploads/pdf/Archive/0-2013/MSOC_Process_130430.pdf)

d. Questions asked for each proposed ISO Rule

The MSA notes that the following questions were asked for every proposed ISO Rule. The MSA has the following general comments for all the proposed ISO Rules.

Item #		Stakeholder comments
1	whether you agree that the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation* relates to the capacity market and why or why not	No comment at this time.
2	whether you agree that the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation* should [or should not] be in effect for a fixed term and why or why not	The MSA supports flexibility to amend the Rules if circumstances require.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule –meets the objective or purpose	The MSA reserves the right to comment further in the AUC proceeding after receiving the view of its expert.
4	how, in your view, the proposed new ISO Rule affects the performance of the capacity market and the electricity market	The MSA reserves the right to comment further in the AUC proceeding after receiving the view of its expert.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule –	The MSA reserves the right to comment further in the AUC proceeding after receiving the view of its expert.
6	whether you agree with the proposed new ISO Rule – taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	The MSA is of the view that in any market ex-post mitigation monitoring will be required.
7	whether you would suggest any alternatives to the proposed new ISO Rule	See various sections.
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	The MSA reserves the right to comment further in the AUC proceeding after receiving the view of its expert.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	The MSA reserves the right to comment further in the AUC proceeding after receiving the view of its expert.

If you have questions or would like to set up a meeting to discuss this matter, please contact me at (403) 705-3180 or shanelle.sinclair@albertamsa.ca.

Sincerely,

Shanelle Sinclair

Legal Counsel

Market Surveillance Administrator

Enclosure: Comment Matrixes

Stakeholder Comment Matrix – September 7, 2018

Proposed Amended ISO rule – Section 103.3, *Financial Security Requirements*

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Determination of Financial Obligations Total Amounts	
3	**(1)**	The **ISO** must calculate the total dollar amount of all **financial obligations** of a **market participant** to the **ISO**, including: subject to subsection 3(2) if the **market participant** is a **pool participant**, a dollar amount based upon a determination by the **ISO** of: the energy the **pool participant** consumes for any two (2) consecutive **settlement periods**, adjusted for any updated information and estimates; minus the energy the **pool participant** purchases from another **pool participant** through any **net settlement instructions** during any two (2) consecutive **settlement periods**; minus the energy the **pool participant** produces during any two (2) consecutive **settlement periods**; plus the energy the **pool participant** sells to another **pool participant** through any **net settlement instructions** during any two (2) consecutive **settlement periods**; multiplied by	

Section	Subsection	Proposed language	Stakeholder comments
		a **pool price** the **ISO** estimates; if the **market participant** is receiving **system access service**, or if the **market participant** has applied for but not yet received **system access service** under any rate in the **ISO tariff**, a dollar amount equal to the estimate of the **ISO** of the charges for two (2) **settlement periods**; if the **market participant** is required to provide **financial security** as counterparty to a *Construction Commitment Agreement* for a connection project under the **ISO tariff**, a dollar amount equal to the **financial security** as required under any such *Construction Commitment Agreement*; if a **market participant** is required to provide security as a counterparty to one or more agreements for **ancillary services** with the **ISO**, a dollar amount equal to the **financial security** as required under any such **ancillary services** agreements; if a **market participant** is a **capacity market partcipant**, a dollar amount equal to the **financial security** as required per Section 103.11 of the **ISO rules**, *Capacity Market Financial Security Requirements*; and any other dollar amounts the **ISO** reasonably determines in respect of the requirement for **financial security** for any other services the **ISO** provides to the **market participant**.	
7	**(2)**	The ISO may, in accordance with subsection 6, ~~may~~ grant the market participant an unsecured credit limit~~,~~ based on the lower of the proxy credit rating for the market participant and that of its subsidiary or affiliate parent company.	See redlines.
9	**(3)**	Without limiting the generality of subsection 9(1), if at any one time: the total dollar amount of all financial obligations of the market participant calculated under subsection 3; exceeds any unsecured credit limit granted to the market participant under subsection 5 or 6, plus the financial security the market participant or its guarantor provides to the ISO pursuant to subsection 2;	This subsection was not included in the original matrix. Are the any circumstances where the ISO will not want the additional financial security? If not, recommend changing the “ISO may” to “ISO must”.

Section	Subsection	Proposed language	Stakeholder comments
		then the ISO may demand in writing replacement or additional financial security from the market participant in a dollar amount sufficient to provide security for the calculated difference, and the market participant must deliver the replacement or additional financial security to the ISO no later than the close of business on the second (2nd) business day after the business day upon which the ISO delivered the demand.	
10	**(4)**	If the ISO determines that replacement or additional financial security is required after determining the impact of the material adverse change, then the ISO ~~may~~ will make a written demand on the market participant specifying the dollar amount and form of that replacement or additional financial security.	This subsection was not included in the original matrix. Are there any circumstances where the ISO would not require the market participant to provide additional financial security? Language of the rule would be stronger if “ISO may” was replaced with “ISO will”.

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 – Section 103.3, *Financial Security Requirements* relates to the capacity market and why or why not	
2	whether you agree that amended ISO rule – Section 103.3, *Financial Security Requirements* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of amended ISO rule – Section 103.3, *Financial Security Requirements* and whether, in your view, Section 103.3, *Financial Security Requirements* meets the objective or purpose	
4	how, in your view, amended ISO rule – Section 103.3, *Financial Security Requirements* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – Section 103.3, *Financial Security Requirements*	
6	whether you agree with amended ISO rule – Section 103.3, *Financial Security Requirements* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to amended ISO rule – Section 103.3, *Financial Security Requirements*	

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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 103.3, Financial Security Requirements.

Stakeholder Comment Matrix – September 7, 2018

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

Period of Comment:	September 7, 2018 through September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA	**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28	**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 103.9 applies to: (a) a **capacity market participant**; and (b) the **ISO**.	
		Requirements **Currency**	
2		The **ISO** must determine all payments, charges, amounts and calculations under this section 103.9 in Canadian dollars.	
		Adjusted Capacity Payment Amount	
3		The **ISO** must, for each **settlement period** in an **obligation period** 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 **ISO rules**, *Capacity Payment Calculation*, subject to subsection 6;	• Terms defined by the AESO should be included in the Consolidated Authoritative Document Glossary ("Glossary") rather than IDs or embedded in a single rule (e.g., uplift payment is found in 103.9 and 201.13). Terms should only be defined once and the definition should be consistent throughout the authoritative documents.

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

Section	Subsection	Proposed language	Stakeholder comments
		"under-delivery adjustment" means an amount calculated pursuant to Section 206.8 of the **ISO rules**, *Obligation Period Performance Assessments*; and "uplift payment" means any payment determined in accordance with Section 201.13 of the **ISO rules**, *Capacity Market Clearing* if the **ISO** clears the **offer** for an asset at a price greater than the clearing price.	
		Net Capacity Payment	
4	**(1)**	The **ISO** must, for each **settlement period** in an **obligation period** for each asset subject to a **capacity commitment** and a positive capacity payment amount calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*, pay the **capacity market participant** an amount equal to the following: (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 **settlement period** is equal to the adjusted capacity payment amount; (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 **ISO rules**, *Capacity Payment Calculation*, then the payment is equal to the adjusted capacity payment amount; in which case the payment adjustment balance for the **settlement period** is equal to $0; and (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 **ISO rules**, *Capacity Payment Calculation*, then the payment is an amount equal to two times the capacity payment; in which case the payment adjustment balance for the **settlement period** is equal to that adjusted capacity payment amount less the amount of the payment.	
4	**(2)**	A **capacity market participant** must, for each **settlement period** in an **obligation period** for each asset subject to a **capacity commitment** and a negative capacity payment amount calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*, pay the **ISO** an amount equal the adjusted capacity payment amount determined pursuant to subsection 3, if that amount is negative.	
4	**(3)**	The **ISO** must, for each **settlement period** in an **obligation period** for each asset subject to a **capacity commitment** and a negative capacity payment amount calculated in	

Section	Subsection	Proposed language	Stakeholder comments
		accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*, pay the **capacity market participant** 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.	
		Payment Adjustment Balance	
5	**(1)**	Subject to subsection 5(2) and subsection 5(3), the **ISO** must pay the amount of any payment adjustment balance for a **settlement period** only in accordance with subsection 3, including where such **settlement period** is the first **settlement period** in the subsequent **obligation period**.	
5	**(2)**	Notwithstanding subsection 5(1), the **ISO** must, if an asset has a negative payment adjustment balance and will receive a **capacity payment** for the subsequent **obligation period** that is lower than the **capacity payment** for the current **obligation period**, adjust the payment adjustment balance for that asset by an amount equal to: the lesser of the difference between the **capacity payment** for the current **obligation period** and the **capacity payment** for the subsequent **obligation period** divided by the **capacity payment** for the current **obligation period**, or 1, multiplied by the absolute value of the payment adjustment balance that has accrued with respect to such asset.	
5	**(3)**	Notwithstanding subsection 5(1), if, at the end of an **obligation period**, an asset has a positive payment adjustment balance and is no longer subject to a **capacity commitment** in the next **obligation period**, the **ISO** must pay the payment adjustment balance to the **capacity market participant** over a number of **settlement periods** 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 **obligation period**, calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*; and (b) subject to the limitation in subsection 7(1).	
5	**(4)**	The **capacity market participant** must pay the amount identified in subsection 5(2) over a number of **settlement periods** such that the payment for each **settlement period** is equal to the amount of the previous capacity payment for that asset from the prior **obligation**	

Section	Subsection	Proposed language	Stakeholder comments
		period, calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*.	
5	**(5)**	A **capacity market participant** may submit a request to pay all or a portion of an existing negative payment adjustment balance of an asset.	
5	**(6)**	The **ISO** must, after receiving a request pursuant to subsection 5(5), issue a statement to the **capacity market participant** in the amount requested and adjust the payment adjustment balance to reflect the payment.	
		New Capacity Asset – Failure to Achieve Energization and Commissioning	
6	**(1)**	The **ISO** must, if a **capacity market participant** has not achieved energization and commissioning in respect of an asset with a **capacity commitment** before the start of the **obligation period**, withhold all payments calculated in accordance with subsection 3 for that asset, subject to the following: (a) withhold from the **capacity market participant** all **capacity payments** for **settlement periods** prior to and including the **settlement period** during which energization and **commissioning** is achieved until availability assessments for the **obligation period** are performed; and (b) if energization and **commissioning** is achieved during such **obligation period**, pay to the **capacity market participant** all **capacity payments** less an existing negative payment adjustment balance that has been withheld from the **capacity market participant** on the **settlement date** for the last **settlement period** for the **obligation period** in which energization and **commissioning** is achieved.	
		Over-Availability Adjustments and Over-Delivery Adjustments	
7	**(1)**	The **ISO** must only make payments to the **capacity market participants** for over-availability adjustments and over-delivery adjustments from funds wholly collected by the **ISO** for under-availability adjustments and under-delivery adjustments, respectively.	
7	**(2)**	The **ISO** must, if any amounts from under-availability adjustments or under-delivery adjustments remain with the **ISO** after funding the over-availability adjustments and over-delivery adjustments payable to **capacity market participants** in accordance with	

Section	Subsection	Proposed language	Stakeholder comments
		subsection 7(1), use such remaining amounts to offset capacity market costs incurred by the **ISO** to procure **capacity**.	
		Post Final Adjustments	
8		The **ISO** 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 **ISO rules**, *Power Pool Financial Settlement*.	
		Preliminary Capacity Market Statement	
9	**(1)**	The **ISO** must, no later than the close of business on the 5th **business day** after the last day of each **settlement period**, issue a preliminary capacity market statement to each **capacity market participant**, in respect of all assets listed opposite a **capacity market participant** on the list the **ISO** publishes pursuant to Section 206.4 of the **ISO rules**, *Capacity Market Participant Registration* determined on: (a) an initial basis for that **settlement period**; (b) an interim basis for that **settlement period** which is 2 **months** prior to that **settlement period**; and (c) a final basis for that **settlement period** which is 4 **months** prior to that **settlement period**.	
9	**(2)**	The **ISO** 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 **ISO rules**, *Financial Default and Remedies* in the preliminary capacity market statement.	
9	**(3)**	Subject to the provisions of Section 103.1 of the **ISO rules**, *Confidentiality*, and upon reasonable written request, the **ISO** must provide to a **capacity market participant** supporting records used in determining the line items and net amounts contained in a capacity market statement.	
		Final Capacity Market Statement	

Section	Subsection	Proposed language	Stakeholder comments
10	**(1)**	The **ISO** must, no later than the close of business on the 15th **business day** after the end of each **settlement period**, issue a final capacity market statement to each **capacity market participant** containing the, amounts set out in the preliminary capacity market statement and determined on: (a) an initial basis for that **settlement period**; (b) an interim basis for that **settlement period** which is 2 **months** prior to that **settlement period**; and (c) a final basis for that **settlement period** which is 4 **months** prior to that **settlement period**.	
10	**(2)**	The final capacity market statement may also contain any updated items and information not previously appearing on the preliminary capacity market statement.	
		Settlement Date and Payment Obligations	
11	**(1)**	The **ISO** must use the 20th **business day** following the last day of that **settlement period** as the settlement date for a **settlement period.**	
11	**(2)**	The **ISO** 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.	
11	**(3)**	The **ISO** must, if the **ISO** owes an amount to the **capacity market participant** pursuant to subsection 4, pay that amount by the settlement date.	
		Interest and Other Late Payment Costs and Charges	
12		A **capacity market participant** must, if it fails to pay on or before a settlement date any outstanding **financial obligation** dollar amount owing to the **ISO** as set out in any of the **capacity market participant's** 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 **ISO rules**, *Financial Default and Remedies.*	
		Method of Payment	
13		A **capacity market participant** must pay an amount the **capacity market participant** owes, as set out in its final capacity market statement, to the **ISO** by the method the **ISO** specifies.	

Section	Subsection	Proposed language	Stakeholder comments
		Prepayment Procedures	
14	**(1)**	A **capacity market participant** may prepay by the method the **ISO** specifies at any date during a **settlement period** other than a specified **settlement period** date.	
14	**(2)**	The **ISO** may apply any prepayment amount against any outstanding **financial obligations** of that **capacity market participant**.	
		Informal Disputes	
15		If a **capacity market participant** has a dispute with the **ISO** about the content of a final capacity market statement of the **capacity market participant** prior to the **ISO** issuing that final capacity market statement on a final basis in accordance with subsection 10(1)(c), then the **capacity market participant** and the **ISO** must make reasonable efforts to informally resolve the dispute in accordance with subsection 2 of Section 103.2 of the **ISO rules**, *Dispute Resolution.*	
		Formal Dispute Periods	
16		The **ISO** must, each January, publish on the AESO website the formal dispute submission periods for each of the **settlement periods** of that calendar year.	
		Capacity Market Statement Formal Disputes After Final Capacity Market Statement	
17	**(1)**	Subject to subsection 15, a **capacity market participant** may not formally dispute a final capacity market statement for a **settlement period** until the **ISO** has issued the final capacity market statement on a final basis for that **settlement period** in accordance with subsection 10(1)(c).	
17	**(2)**	If a **capacity market participant** desires to proceed with a formal dispute, then the **capacity market participant** must submit a written dispute notice to the **ISO** in accordance with subsection 3 of Section 103.2 of the **ISO rules**, *Dispute Resolution*, prior to the expiry of the formal dispute submission period for the **settlement period**.	
17	**(3)**	The **ISO** 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 **ISO** and the **capacity market participant** or from a determination under subsection 5(3) of Section 103.2 of the **ISO rules**, *Dispute Resolution.*	

Section	Subsection	Proposed language	Stakeholder comments
17	**(4)**	The **ISO** must, if the terms of a formal dispute have been agreed to in principle between the **ISO** and the **capacity market participant**, deliver a written agreement to the **capacity market participant** detailing the dispute resolution terms, the subject **settlement period**, a summary of adjustments, and the requirement that the **capacity market participant** confirms and agrees to the formal dispute resolution by signing and returning the written agreement to the **ISO**.	
17	**(5)**	A **capacity market participant** must, no later than the close of business on the thirtieth (30th) **business day** from the receipt of the written agreement from the **ISO**, reply by signing and accepting the written agreement and once signed and accepted and redelivered to the **ISO**, the **capacity market participant** will not have further recourse under Section 103.2 of the **ISO rules**, *Dispute Resolution* or any other legal or equitable remedy with respect to the formal dispute.	
17	**(6)**	The **ISO** may deem that the capacity market participant has accepted the written agreement if the **capacity market participant** fails to respond by the 30th **business day**.	Under what situations would the ISO consider the matter agreed upon? Corresponding rule 103.4 27(6) states that if a pool participant does not respond, the pool participant will be deemed to accept the agreement.
17	**(7)**	The **capacity market participant** must not have further recourse under Section 103.2 of the **ISO rules**, *Dispute Resolution*, 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).	
17	**(8)**	A **capacity market participant** may, if the **capacity market participant** rejects the written agreement by delivering a rejection notice to the **ISO** by the 30th **business day**, seek to have the formal dispute resolved by a determination under Section 103.2 of the **ISO rules**, *Dispute Resolution*.	
		Capacity Market Statement Adjustments for Resolved Disputes	
18	**(1)**	The **ISO** must, if an informal dispute is resolved under subsection 15, adjust the final capacity market statement for that **settlement period** to include any resolved line item adjustments and the adjusted net amount payable by or to the **capacity market participant**.	
18	**(2)**	The **ISO** 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 **capacity market**	

Section	Subsection	Proposed language	Stakeholder comments
		participant.	
		ISO Recourse to Section 103.7 of the ISO Rules, *Financial Default and Remedies*	
19		The **ISO** may, in the event that the **capacity market participant** fails to pay an invoice or any dollar amount under this section 103.9, deem such failure to be a **financial obligation** default event which will allow the **ISO** to have recourse to the rights and remedies of the **ISO** under Section 103.7 of the **ISO rules**, *Financial Default and Remedies*.	Under what situations would the ISO not consider failure to pay a financial default event? Corresponding rule 103.4 30 states that if a pool participant fails to pay, the amount will be deemed a financial obligation default.

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, *Capacity Market Financial Settlement* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 103.9, *Capacity Market Financial Settlement* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 103.9, *Capacity Market Financial Settlement* and whether, in your view, the proposed new ISO Rule – Section 103.9, *Capacity Market Financial Settlement* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 103.9, *Capacity Market Financial Settlement* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 103.9, *Capacity Market Financial Settlement*	
6	whether you agree with the proposed new ISO Rule – Section 103.9, *Capacity Market Financial Settlement* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 103.9, *Capacity Market Financial Settlement*	

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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

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.

Stakeholder Comment Matrix – September 7, 2018

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

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 103.11 applies to: (a) a **capacity market participant**; and (b) the **ISO**.	
		Requirements **Provision of Financial Security**	
2		A **capacity market participant** must provide to the **ISO**, or cause its guarantor to provide to the **ISO**, any **financial security** which it is required to provide, or requested by the **ISO** to provide, pursuant to this section 103.11.	
		Financial Security – Payment Adjustment Balance Limit	
3	**(1)**	The **ISO** may, if, at any time prior to or during an **obligation period**, the **ISO** is of the opinion that the payment adjustment balance, as determined in accordance with Section 103.9 of the **ISO rules**, *Capacity Market Financial Settlement*, in respect of any asset, may, at any time, exceed a limit calculated as follows: *PAB limit* = the capacity payment, calculated in accordance with Section 103.10 of	The subsection is unclear as to what it requires of both the ISO and capacity market participants. Is there any other method for which the limit would be calculated? Will the ISO be calculating the second formula as well?

Section	Subsection	Proposed language	Stakeholder comments
		the **ISO rules**, *Capacity Payment Calculation* for such **obligation period** * 12 *1.3 calculate an adjustment to the amount of **financial security** which the **capacity market participant** ~~may~~ will be required to provide to the **ISO** in respect of such **obligation period** as follows: *adjusted security requirement* = security requirement less the total amount of **financial security** currently held by the **ISO** in respect of such asset pursuant to this subsection 3(1) where: *security requirement* = the greater of: (i) the estimated payment adjustment balance less the *PAB limit*; and (ii) $0.	The line, "capacity market participant may be required to provide to the ISO in respect..." provides the capacity market participant an option. If this is to be applied to the capacity market participant should it not be mandatory? Recommend changing the wording from “capacity market participant may” to capacity market participant will”.
3	**(2)**	The **ISO** may, if the amount of the adjusted security requirement determined pursuant to subsection 3(1) is a positive number, request the applicable **capacity market participant** to provide **financial security** to the **ISO** in the amount of the adjusted security requirement on or prior to the date specified in any notice to the **capacity market participant** from the **ISO**, which date shall in all events be not less than 5 **business days** following the delivery of such notice.	
		Financial Security – Change to Capacity Payment	
4	**(1)**	The **ISO** may, if there is any estimated change in the amount of the capacity payment, calculated in accordance with Section 103.10 of the ISO rules, *Capacity Payment Calculation* for an asset for any **obligation period**, calculate and must calculate upon any request of the applicable **capacity market participant** an adjustment to the amount of **financial security** which the **capacity market participant** ~~may~~ will be required to provide to the **ISO** in respect of such **obligation period** as follows: *adjusted security requirement* = security requirement less the total amount of **financial security** currently held by the **ISO** in respect of such asset pursuant to this subsection 4(1) where:	The subsection is unclear as to what it requires of both the ISO and capacity market participants. Recommend changing the wording from “capacity market participant may” to capacity market participant will”. Consider breaking up the “ISO must” and “ISO may” portion of this clause into 4(1)(a) and 4(1)(b).

Section	Subsection	Proposed language	Stakeholder comments
		security requirement = the greater of: (i) the estimated payment adjustment balance less the PAB limit; and (ii) $0; and *PAB limit* = the capacity payment, calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation* for such **obligation period** (which shall be $0 if such asset is not subject to a **capacity commitment** for such **obligation period**) * 12 * 1.3.	
4	**(2)**	The **ISO** may, if the amount of the adjusted security requirement determined pursuant to subsection 4(1) is a positive number, request the applicable **capacity market participant** to provide **financial security** to the **ISO** in the amount of the adjusted security requirement on or prior to the date specified in any notice to the **capacity market participant** from the **ISO**, which date shall in all events be not less than 5 **business days** following the delivery of such notice.	
4	**(3)**	The **ISO** may, if requested by the **capacity market participant**, if the amount of the adjusted security requirement determined pursuant to subsection 4(1) in respect of an **obligation period** is a negative number, reduce the amount of **financial security** of the **capacity market participant** as of the commencement of such **obligation period** by the adjusted security requirement.	
		Financial Security – New Capacity, Refurbished Capacity, and Incremental Capacity	
5	**(1)**	A **capacity market participant** must, prior to participating in a **base auction** or **rebalancing auction** and within the timelines prescribed in the *Capacity Market Auction Guidelines,* provide **financial security** to the **ISO** for the security requirement amounts determined pursuant to this subsection 5 and subsection 6, as applicable, in respect of an asset with: (a) **new capacity**; (b) refurbished capacity, or (c) incremental capacity, that is not energized and commissioned at the time of the **base auction** or **rebalancing auction**.	

Section	Subsection	Proposed language	Stakeholder comments
5	**(2)**	The **ISO** must calculate the security requirement for the volume of **uniform capacity value** from an asset with **new capacity** that a **capacity market participant** must **offer** in a **base auction** or **rebalancing auction** as follows: *security requirement = (gross-CONE * 1 / CRF) * 5% * **uniform capacity value*** 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 **ISO rules**, *Shape of Demand Curve;* CRF is the capital recovery factor specified in subsection 5(3); and **uniform capacity value** is the volume of **uniform capacity value** the **capacity market participant** must **offer** for the applicable **base auction** or **rebalancing auction**.	
5	**(3)**	The **ISO** must calculate the capital recovery factor as: *CRF = {i(1 + i)^n} / {[(1 + i)^n]-1}* where i is the discount rate used in the gross-CONE determination as per Section 207.3 of the **ISO rules**, *Shape of Demand Curve;* and n is a 20 year plant life.	
5	**(4)**	The **ISO** must calculate the security requirement for the volume of **uniform capacity value** from an asset with refurbished **capacity** that a **capacity market participant** must **offer** in a **base auction** or **rebalancing auction** as follows: *security requirement = unit rate * escalation rate * 5% * **uniform capacity value*** where the unit rate is $200/kW; escalation rate is the current capital cost escalation rate as determined by the **ISO**; and **uniform capacity value** is the volume of **uniform capacity value** the **capacity market participant** must **offer** for the applicable **base auction** or **rebalancing auction**.	

Section	Subsection	Proposed language	Stakeholder comments
5	**(5)**	The **ISO** must calculate the security requirement for the volume of **uniform capacity value** from incremental **capacity** that a **capacity market participant** must **offer** in a **base auction** or **rebalancing auction** as follows: *security requirement = unit rate * escalation rate * 5% * **uniform capacity value*** where the unit rate is $100/kW; escalation rate is the current capital cost escalation rate as determined by the **ISO**; and **uniform capacity value** is the volume of **uniform capacity value** from incremental **capacity** the **capacity market participant** must **offer** for the applicable **base auction** or **rebalancing auction**.	
		Financial Security – Revised Amounts	
6	**(1)**	The **ISO** must, following a **base auction** or a **rebalancing auction**, determine the security requirement of an asset identified in subsection 5(1) as follows: (a) $0, if the **capacity market participant** elected to delist the entire volume of **new capacity** or refurbished **capacity** for the asset in accordance with Section 206.1 of the **ISO rules**, *Qualification of Capacity*; (b) $0, if the **capacity market participant** elected to not continue with the retrofit for incremental **capacity** for the asset in accordance with Section 206.1 of the **ISO rules**, *Qualification of Capacity*; (c) $0, if the **capacity market participant** failed to receive a **capacity commitment** for that asset for the applicable **obligation period**; (d) $0, if such **rebalancing auction** is the last **rebalancing auction** for the applicable **obligation period** and that asset achieved energization and **commissioning**; (e) the amount determined in accordance to subsection 5, if the **capacity market participant** received a **capacity commitment** for that asset for the applicable **obligation period**; or (f) the amount determined in accordance with subsection 6(2), if applicable.	

Section	Subsection	Proposed language	Stakeholder comments
6	**(2)**	The **ISO** must, if an asset was determined to meet its critical milestones as per Section 206.5 of the **ISO rules**, *Forward Period Milestone Assessment* in advance of a **rebalancing auction,** calculate the security requirement for the **capacity commitment** which was the outcome of an **offer** of **new capacity**, refurbished capacity or incremental capacity that cleared a prior **base auction** or **rebalancing auction** for the applicable **obligation period**, as follows: *security requirement = security rate * **capacity commitment** * max{remaining auctions, 1} / total applicable auctions* where: security rate is calculated as per subsection 6(3), as applicable; **capacity commitment** is the **capacity commitment** of the asset for the **obligation period** in respect of such **rebalancing auction**; total applicable auctions is the count of all **base auctions** and **rebalancing auctions**, regardless of the respective **obligation period**, from the **base auction** or **rebalancing auction** which the initial security requirement was provided pursuant to subsection 5, to the start of the **obligation period** which the initial security requirement was provided in respect of; and remaining auctions is the count of all **base auctions** and **rebalancing auctions**, regardless of the respective **obligation period**, from this **rebalancing auction** which the reduced security requirement is being calculated and provided for, to the start of the **obligation period** which the reduced security requirement is being calculated and provided in respect of.	
6	**(3)**	The **ISO** must calculate the security rate as follows: (a) for an asset with a **capacity commitment** based on **new capacity**: *security rate = (gross-CONE * 1 / CRF) * 5%* 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 **ISO rules**, *Shape of Demand Curve*; and CRF is the capital recovery factor specified in subsection 5(3);	

Section	Subsection	Proposed language	Stakeholder comments
		(b) for an asset with a **capacity commitment** based on refurbished **capacity**: *security rate = unit rate * escalation rate * 5%* where the unit rate is $200/kW; and escalation rate is the current capital cost escalation rate as determined by the **ISO**; or (c) for an asset with a **capacity commitment** based on incremental **capacity**: *security rate = unit rate * escalation rate * 5%* where the unit rate is $100/kW; and escalation rate is the current capital cost escalation rate as determined by the **ISO**.	
6	**(4)**	The **ISO** may, following a **rebalancing auction**, adjust the amount of **financial security** a **capacity market participant** must provide to the **ISO** for an asset in accordance with the amount determined in subsection 6.	

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 *Capacity Market Financial Security* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 103.11 *Capacity Market Financial Security* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 103.11 *Capacity Market Financial Security* and whether, in your view, the proposed new ISO Rule – Section 103.11 *Capacity Market Financial Security* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 103.11 *Capacity Market Financial Security* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 103.11 *Capacity Market Financial Security*	
6	whether you agree with the proposed new ISO Rule – Section 103.11 *Capacity Market Financial Security* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 103.11 *Capacity Market Financial Security*	

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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

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.

Stakeholder Comment Matrix – September 7, 2018

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

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 103.13 applies to: (a) a **person** who has received an **ISO** decision pursuant to the categories listed as **ISO** reviewable decisions in the *Capacity Market Regulation*; (b) the Market Surveillance Administrator; and (c) the **ISO**.	
		Requirements **Submission of Request for Reconsideration**	
2		A **person** or the Market Surveillance Administrator that seeks reconsideration of an **ISO** reviewable decision must, in the manner the **ISO** specifies, submit to the **ISO** a request for reconsideration.	The MSA suggests that the AESO make it clear that some types of decisions are the subject of a preliminary dispute resolution mechanism in specific Rules such as uniform capacity values. For example Section 10(1) of Section 206.3 comes before this section. Ideally there would be one mechanism for reconsideration of the Rules and not multiple types of variances and review requests. At minimum, the MSA recommends that it be clarified for market participants that there are preliminary steps required prior to being permitted to file a request under this Rule. The MSA recommends the following be added to subsection 2 for clarity:

Section	Subsection	Proposed language	Stakeholder comments
			For this section to be applicable if the person applying for a request for reconsideration is a market participant, the market participant must have engaged in the processes outlined the following Rules if applicable: • Section 206.3 Section 10(1) ect
		Content of Request for Reconsideration	
3	(1)	The **person** or the Market Surveillance Administrator must ensure that the request for reconsideration: (a) is signed by: (i) if the **person** is a corporation, an officer of the corporation; (ii) if the **person** is a partnership, one of its partners; (iii) if the **person** is an individual, the individual in their personal capacity; or (iv) the Market Surveillance Administrator; (b) contains an attestation that the request for reconsideration is complete and accurate; and (c) is less than or equal to 10 pages in length, not including supplemental evidence.	The MSA believes that a (iv) could be removed. As a corporation the MSA may have one of its officers sign a request for reconsideration. To comply with the tight timelines in the Rule the MSA needs to be able to have more than one individual sign a request for reconsideration. Therefore, the signing authority cannot be limited to the person who is appointed as MSA.
3	(2)	The **ISO** may request that the **person** or the Market Surveillance Administrator provide additional information as it pertains to the request for reconsideration submitted in accordance with subsection 3(1).	The Rule should make it clear if the AESO can require a response by a specific date.
		Request Notification	
4		The **ISO** must, if a request for reconsideration is received from the Market Surveillance Administrator, within 1 **business day** of receiving the request for reconsideration, provide a copy of the request to a directly affected **person**.	

Section	Subsection	Proposed language	Stakeholder comments
5		The **ISO** must, if a request for reconsideration is received from a **person**, within 1 **business day** of receiving the request for reconsideration, provide a copy of the request to the Market Surveillance Administrator.	
		Reconsideration Decision	
6		The **ISO** 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 **person**.	The MSA suggests that the AESO should also have a time limit for making decisions. Also, when the AESO makes a reconsidered decision, currently there is no express requirement for it to give reasons. If there are no reasons, how does an eligible person come up with grounds for an appeal to the AUC?
7		The **ISO** must, as soon as reasonably practicable, upon making a decision regarding a request for reconsideration received from a **person**, provide a copy of the reconsideration decision to the **person** and the Market Surveillance Administrator.	

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 *Request for Reconsideration* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 103.13 *Request for Reconsideration* should [or should not] be in effect for a fixed term and why or why not	The MSA suggests that it is too early to finalize the provisions in this Rule until regulations are issued relating to the capacity market.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 103.13 *Request for Reconsideration* and whether, in your view, the proposed new ISO Rule – Section 103.13 *Request for Reconsideration* meets the objective or purpose	

Item #		Stakeholder comments
4	how, in your view, the proposed new ISO Rule – Section 103.13 *Request for Reconsideration* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 103.13 *Request for Reconsideration*	
6	whether you agree with the proposed new ISO Rule – Section 103.13 *Request for Reconsideration* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 103.13 *Request for Reconsideration*	
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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

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.

Stakeholder Comment Matrix – September 7, 2018

Proposed Amended ISO rule – Section 201.3, *Energy Market Offer Control Information*

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 201.3 applies to: (a) a **pool participant** who submits an **offer** or **bid** in the energy market or **ancillary services** market.	
		Requirements **Offer Control Information**	
2	**(1)**	A **pool participant** must submit **offer control information** to the **ISO**: (a) for any **operating block** submitted in an **offer** or **bid** in the energy market, including an **offer** for **dispatch down service**, that has a quantity greater than 0 MW; and (b) in the case of **operating reserve**, for all **offers** or **bids** which the **ISO** accepts.	
2	**(2)**	A **pool participant** must submit to the **ISO**, as it relates to the **offer control information** submitted in subsection 2(1), the quantity, in MW, contained within such **offer** or **bid** to which the **offer control information** relates.	

Section	Subsection	Proposed language	Stakeholder comments
		Associates of a Market Participant	
3	**(1)**	A **pool participant** must, as it relates to the **offer control information** submitted in subsection 2, submit any and all associates of a **market participant**, as defined in subsection 5(1)(a) of the *Fair, Efficient, and Open Competition Regulation*, in the manner the **ISO** specifies: (a) for a **generating unit** or **aggregated generating facility** that has energized and commissioned, on or before a date the **ISO** specifies; (b) for a **generating unit** or **aggregated generating facility** that has not completed energization and commissioning, before the energization and commissioning of such **generating unit** or **aggregated generating facility**; or (c) for an import asset, on or before a date the **ISO** specifies.	Consider including an obligation to change/update attestations when the representations are no longer accurate
		Changes to Associates of a Market Participant	
4		A **pool participant** must provide the **ISO** with updated information, as soon as reasonably practicable, regarding any changes to any associates of a **market participant** referred to in subsection 3(1) and include an attestation as described in subsection 3(2).	

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 – Section 201.3, *Energy Market Offer Control Information* relates to the capacity market and why or why not	
2	whether you agree that amended ISO rule – Section 201.3, *Energy Market Offer Control Information* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of amended ISO rule – Section 201.3, *Energy Market Offer Control Information* and whether, in your view, Section 201.3, *Energy Market Offer Control Information* meets the objective or purpose	
4	how, in your view, amended ISO rule – Section 201.3, *Energy Market Offer Control Information* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – Section 201.3, *Energy Market Offer Control Information*	
6	whether you agree with amended ISO rule – Section 201.3, *Energy Market Offer Control Information* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	

Item #		Stakeholder comments
7	whether you would suggest any alternatives to amended ISO rule – Section 201.3, *Energy Market Offer Control Information*	
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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 201.3, Energy Market Offer Control Information.

Stakeholder Comment Matrix – September 7, 2018

Proposed Amended ISO rule – Section 201.13, *Capacity Market Clearing*

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Auction Clearing	
2	**(1)**	The **ISO** must use a clearing process that clears **offers** and **bids**, as applicable, in a manner that maximizes social surplus with consideration of the following: (a) a lower priced **capacity block** in an **offer** will be cleared before a higher priced **capacity block** in an **offer**; (b) a higher priced **capacity block** in a **bid** will be cleared before a lower priced **capacity block** in a **bid**; (c) when multiple equivalent **flexible blocks** are submitted at the clearing price and result in the same social surplus, clear such equivalent **flexible blocks** as follows; (i) on a pro-rata basis, if all pro-rated quantities in MW remain whole numbers; or (ii) on a random basis, in all other cases; (d) when multiple equivalent **inflexible blocks** are submitted at the clearing price and result in the same social surplus, clear such equivalent **inflexible blocks** as follows: (i) clear a combination of the smallest volume **inflexible blocks**, if possible; or	

Section	Subsection	Proposed language	Stakeholder comments
		(ii) on a random basis, in all other cases; and (e) when multiple equivalent **flexible blocks** and **inflexible blocks** are submitted at the clearing price and result in the same social surplus, clear such equivalent **flexible blocks** and **inflexible blocks** on a random basis.	
		Consideration of Transmission Market Constraint and Transfer Path Limits in Clearing Process	
4	**(1)**	The **ISO** may, in the event that the **ISO** determines that the energy associated with an **offer** may be unable to be delivered to the **interconnected electric system** during the **obligation period** due to either a **transmission market constraint** or a limit on an Alberta **intertie** determined in accordance with subsection 3: (a) not clear the **offer**; (b) clear a portion of the **offer**; or (c) if there are multiple **flexible blocks** impacted by the same **transmission market constraint** or limit on an Alberta **intertie** either: (i) not clear the **flexible blocks**; or (ii) when multiple equivalent **flexible blocks** are submitted at the same price and result in the same social surplus, clear such equivalent **flexible blocks** on a pro-rata basis. (d) if there are multiple **inflexible blocks** impacted by the same **transmission market constraint** or limit on an Alberta **intertie** either: (i) not clear the **inflexible blocks**; or (ii) when multiple equivalent **inflexible blocks** are submitted at the same price and result in the same social surplus, clear such equivalent **inflexible blocks** on a random basis.	Terms defined by the AESO should be included in the Consolidated Authoritative Document Glossary rather than IDs or embedded in a single rule (e.g., uplift payment is found in 103.9 and 201.13). Terms should only be defined once and the definition should be consistent throughout the authoritative documents. This section does not include the case of flexible and inflexible blocks, which was added to subsection 2(1)(e).
		Setting Auction Clearing Price	
5	**(1)**	The **ISO** must establish the clearing price of a **base auction** or **rebalancing auction**,	

Section	Subsection	Proposed language	Stakeholder comments
		without consideration of **transmission market constraints** in subsection 4, at the point on the demand curve that: (a) intersects with the supply curve; or (b) corresponds to the volume of the cleared offers where the entire cleared offers are below the demand curve.	

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 – *Section 201.13, Capacity Market Clearing* relates to the capacity market and why or why not	
2	whether you agree that amended ISO rule – *Section 201.13, Capacity Market Clearing* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of amended ISO rule – *Section 201.13, Capacity Market Clearing* and whether, in your view, *Section 201.13, Capacity Market Clearing* meets the objective or purpose	
4	how, in your view, amended ISO rule – *Section 201.13, Capacity Market Clearing* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – *Section 201.13, Capacity Market Clearing*	
6	whether you agree with amended ISO rule – *Section 201.13, Capacity Market Clearing* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to amended ISO rule – *Section 201.13, Capacity Market Clearing*	

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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 201.13, Capacity Market Clearing.

Stakeholder Comment Matrix – September 7, 2018

Proposed New ISO rule – Section 201.15, *Delisting*

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 201.15 applies to: (a) a **capacity market participant**; (b) a **pool participant**; (c) the **legal owner** of a **generating unit** or **aggregated generating facility** where such **generating unit** or **aggregated generating facility** is the subject of a permanent delist notification; and (d) the **ISO**.	
		Requirements **Request to Temporarily Delist for Economic Reasons**	
2	**(1)**	A **capacity market participant** may, within the timelines specified in the *Capacity Market Auction Guidelines* for the last **rebalancing auction** and in the manner the **ISO** specifies, submit to the **ISO** a request to temporarily delist an asset for the **obligation period** for economic reasons.	
2	**(2)**	A **capacity market participant** must, in the request referred to in subsection 2(1), submit:	

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

Section	Subsection	Proposed language	Stakeholder comments
		Guidelines for the last **rebalancing auction**, 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.	
		Submission of Offer Price for Temporary Economic Delist	
4		Notwithstanding Section 206.4 of the **ISO rules**, *Offers and Bids for the Capacity Market*, a **capacity market participant** that has been provided a price in accordance with subsection 3(4) must submit an **offer** comprised of one **capacity block** at the price specified in subsection 3(4) in the last **rebalancing auction** for the MW volume set out in subsection 2(2)(a)(ii).	
		Request to Temporarily Delist due to Physical or Operational Limitations	
5	**(1)**	A **capacity market participant** must, within the timelines specified in the *Capacity Market Auction Guidelines* and in the manner the **ISO** specifies, submit to the **ISO** a request to temporarily delist an asset from the capacity market for the **obligation period** if the asset will be subject to a derate or an outage for a period greater than or equal to 150 continuous **days** in the **obligation period** due to a physical operational limitation of the asset of the **capacity market participant**.	
5	**(2)**	A **capacity market participant** must, subject to subsection 5(3), submit the following information to the **ISO** in the request referred to in subsection 5(1): (a) a description of the physical or operational limitation; (b) a description of any major repairs required to rectify the physical or operational limitation; and (c) if applicable, an order, decision, final rule, opinion or final directive from a regulatory authority specifically mandating the derating of the asset.	
5	**(3)**	A **capacity market participant** must, in the case of an asset with **new capacity,** refurbished capacity or incremental capacity, submit to the **ISO** in the request referred to in subsection 5(1) an attestation from a corporate officer of the **capacity market participant** certifying that the **new capacity**, refurbished capacity or incremental capacity will not be in full commercial operation prior to the **obligation period**.	

Section	Subsection	Proposed language	Stakeholder comments
5	**(4)**	A **capacity market participant** must, in the request referred to in subsection 5(1), submit: (a) an attestation from a corporate officer of the **pool participant**: (i) that the **pool participant** confirms that if the request is approved by the **ISO**, the **delist outage** in the energy market will be for a continuous period in the **obligation period** which must be greater than 150 days; (ii) the MW volume of the asset that will be subject to a **delist outage** in the energy market; (iii) a description of the physical or operational limitation of the asset; and (iv) the start date and the end date of the **delist outage** referred to in 5(2)(c)(i); and (b) any other information the **ISO** specifies as it relates to the request to temporarily delist the asset.	
		ISO Approval of Request to Temporarily Delist due to a Physical or Operational Limitation	
6	**(1)**	The **ISO** must approve a request to temporarily delist an asset due to a physical or operational limitation if: (a) the ISO is satisfied that the request referred to in subsection 5(1) is complete; and (b) the **delist outage** referred in subsection 5(2)(a) is greater than 150 continuous days in the **obligation period**.	
6	**(2)**	Notwithstanding subsection 6(1), the **ISO** may not approve a request to temporarily delist an asset if, in the **ISO**'s determination, the volume of **capacity** is necessary to maintain **reliability**.	
		Delist Outage	
7	**(1)**	A **pool participant** must, if the **offer** referred to in subsection 4(1) does not clear in the last **rebalancing auction,** submit a **delist outage** that corresponds to the outage declared in accordance with subsection 2(2)(a).	

Section	Subsection	Proposed language	Stakeholder comments
7	**(2)**	A **pool participant** must, if the **ISO** approves a request pursuant to subsection 6**,** submit a **delist outage** that corresponds to the outage declared in accordance with subsection 5(2)(a).	
		Request to Change Delist Outage	
8	**(1)**	A **pool participant** must submit a request to the **ISO** to change the **delist outage** submitted in accordance with subsection 7(2) in the manner the **ISO** specifies.	
8	**(2)**	The **ISO** may approve a request submitted under subsection 8(1) if the **ISO** determines that the change to the **delist outage** has no material impact to **reliability**, unless such request reduces the **delist outage** to less than 150 **days**.	See redline.
		Restriction on Ability to Temporarily Delist	
9		A **capacity market participant** must not temporarily delist an asset for more than two consecutive **obligation periods**.	
		Permanent Delist Notification	
11	**(1)**	A **capacity market participant** may, in accordance with the timelines established in the *Capacity Market Auction Guidelines* for the **base auction** or the first **rebalancing auction** for an **obligation period**, and in the manner the **ISO** specifies, submit to the **ISO** a notification to permanently delist an asset.	See below. The MSA supports requiring the capacity market participant to also publish a notice of its intention to temporarily delist.
11	**(2)**	A **capacity market participant** must, in the notification referred to in subsection 11(1), submit: (a) the MW volume from the asset that the **capacity market participant** is permanently delisting; and (b) in the case of a **generating unit**, **aggregated generating facility** or **energy storage facility**: (i) an attestation from a corporate officer of the **pool participant**: (A) that the **pool participant** confirms that the MW volume referred to in subsection 11(2)(a) will be removed from the energy market on or before the first **day** of	

Section	Subsection	Proposed language	Stakeholder comments
		June in the **obligation period**; and (B) the date that the MW volume from the asset will be removed from the energy market. (ii) an attestation from a corporate officer of the **legal owner**: (A) that the **legal owner** confirms that the MW volume referred to in subsection 11(2)(a) will be removed from the energy market on or before the first **day** of June in the **obligation period**; and (B) the date that the MW volume from the asset will be removed from the energy market.	
11	**(3)**	A **capacity market participant** may not revoke a notification to permanently delist after it has been submitted to the **ISO** in accordance with subsections 11(1) and 11(2).	
11	**(4)**	The **ISO** 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, *Delisting* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 201.15, *Delisting* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 201.15, *Delisting* and whether, in your view, the proposed new ISO Rule – Section 201.15, *Delisting* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 201.15, *Delisting* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 201.15, *Delisting*	
6	whether you agree with the proposed new ISO Rule – Section 201.15, *Delisting* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 201.15, *Delisting*	Yes, the MSA suggests that there be more transparency on delisting. In the MSA's view for the market to know when a unit is de-listed will foster competition.
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	

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

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.

Stakeholder Comment Matrix – September 7, 2018

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

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 206.3 applies to: (a) a **capacity market participant**; and (b) the **ISO**.	
		Requirements **1250 Tightest Supply Cushion Hours**	
2		The **ISO** must select 250 hours from each 12 **month** consecutive period in the historical 60 **month** 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).	

Section	Subsection	Proposed language	Stakeholder comments
		Asset Specific Hours for Uniform Capacity Value Calculation	
3	**(1)**	The **ISO** 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 **capacity market participant** on the list: (a) hours in which there was a state of markets suspension; (b) hours that the **ISO** determines that the asset was affected by: (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 (ii) a **mothball outage** or temporary economic **delist outage**; (c) hours in which the asset had no production or consumption history; (d) hours in which the asset was **commissioning**; and (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.	
3	**(2)**	The **ISO** ~~may~~must, in the case of a **long lead time asset** 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 **ISO** determines that: (a) the **pool participant** reason in the Energy Trading System indicates that the asset was offline for a long lead time configuration; or (b) the cost assessment for the asset exceeds the **pool price**; in order to create an historical data set for each **long lead time asset** listed for a **capacity market participant** on the list.	The MSA recommends that the ISO review CMD Final, section 3 and revise “ISO may” to “ISO must,” if appropriate.
3	**(3)**	The **ISO** must, if it determines that the asset was impacted by a **transmission market constraint** during an hour in the asset’s historical data set, add the volume that was	

Section	Subsection	Proposed language	Stakeholder comments
		curtailed to the **metered volume** in that hour for the purposes of calculating the **uniform capacity value** for the asset in accordance with subsection 5(2).	
		Selection of Methodologies for Uniform Capacity Value Calculation	
4		The **ISO** must, when calculating a **uniform capacity value** for an asset, apply the methodologies as follows: (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; (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: (i) the methodologies in subsection 5 will be applied to the hours in the historical data set, as applicable; and (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; or (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.	
		Methodologies for Hours in the Historical Data Set	
5	**(1)**	The **ISO** must, subject to subsections 5(2) through 5(8) calculate a **uniform capacity value** for an asset as follows: (a) calculate the hourly availability factor using the time weighted **available capability** as observed in the Energy Trading System, divided by **maximum capability** observed in each hour in the historical data set; (b) calculate the availability factor by averaging the hourly availability factors as	

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

Section	Subsection	Proposed language	Stakeholder comments
		generating units or **aggregated generating facilities** that self-supplies **capacity** and is dispatched gross-to-grid as follows: (a) calculate a gross **uniform capacity value** 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 (b) translate the gross **uniform capacity value** calculated in subsection 5(4)(a) to a net **uniform capacity value** using a linear regression of net-to-grid energy relative to the energy market **dispatches** issued to the asset on the self-supply site.	
5	**(5)**	The **ISO** must, subject to subsection 7, calculate a **uniform capacity value** for a load asset providing **firm consumption level** as follows: (a) identify the **metered energy** for the **settlement intervals** with the same **hour ending** as the hour the historical data set in the following **days**: (i) the 15 most recent **business days** prior to the **day** with the hour in the historical data set if the hour falls on a **business day**; (ii) the 10 most recent weekend **days** or holidays prior to the **day** with the hour in the historical data set if the hour falls on a weekend **day** or a holiday; or (iii) the **days** the **ISO** specifies if, in the 45 **day** period prior to the **day** with the hour in the historical data set, there are fewer than 15 **business days** and 10 weekend **days** when **days** containing **settlement intervals** identified in subsection 5(5)(b) are excluded; (b) determine if any **settlement intervals** referred to in subsection 5(a) contain any of hours in the historical data set in accordance with subsection 2; (c) calculate the qualified baseline as the average of the **metered energy** for the **settlement intervals** referred to in subsection 5(5)(a) excluding the **metered energy** for the **settlement intervals** identified in subsection 5(5)(b); and (d) minus an asset's declared **firm consumption level** from the qualified baseline calculated in subsection 5(5)(b).	

Section	Subsection	Proposed language	Stakeholder comments
5	**(6)**	The **ISO** must calculate a **uniform capacity value** for a load asset providing **guaranteed load reduction** as the **guaranteed load reduction** declared in accordance with Section 206.1, *Qualification of Capacity*.	
5	**(7)**	The **ISO** must calculate a **uniform capacity value** 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 **maximum capability** and the amount of incremental capacity.	
5	**(8)**	The **ISO** must calculate a **uniform capacity value** for an asset that undergoes a derate in its **maximum capability** in accordance with subsection 5, as applicable, substituting the **maximum capability** of the asset for its derated **maximum capability**.	
5	**(9)**	Where the **uniform capacity value** for at least 1 asset in an aggregated asset would otherwise be calculated in accordance with subsection 5(2), the **ISO** must calculate the **uniform capacity value** of all assets in the aggregated asset in accordance with subsection 5(2).	
		Methodologies for Hours not in the Historical Data Set	
6	**(1)**	The **ISO** must calculate a **uniform capacity value** for an asset in accordance with subsection 4, as follows: (a) using a class average performance factor multiplied by **maximum capability**, where the class average performance factor is: (i) for a load asset, 91% unless the **ISO** specifies a class average performance factor based on Alberta load data; or (ii) for all other assets, as specified by the **ISO**; (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 **maximum capability**; or	

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 **maximum capability**.	
6	**(2)**	The **ISO** must calculate a **uniform capacity value** for an import asset where the hours in the historical data set are less than 250 as follows: (a) using the value declared, in accordance with Section 206.1, *Qualification of Capacity*, for the import asset; and (b) derating the value declared , in accordance with Section 206.1, *Qualification of Capacity*, 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 **available transfer capability** of 0 MW.	
		Test Requirement for Load Asset Providing a Firm Load Consumption	
7	**(1)**	A **capacity market participant** must, if there were no delivery hours in the **obligation period** prior to **obligation period** that the **ISO** is calculating a **uniform capacity value** for in accordance with subsection 6(5), demonstrate to the **ISO** the ability of a load asset providing a **firm consumption level** to reduce down to the **firm consumption level** declared by the **capacity market participant** and maintain the reduction for 1 hour.	
7	**(2)**	The **ISO** must, in the event that the load asset providing a **firm consumption level** fails the demonstration in subsection 7(1), adjust the **uniform capacity value** calculated in accordance with subsection 6(5) to reflect the observed load reduction.	
		Calculation of Ranges for a Uniform Capacity Value	
8	**(1)**	The **ISO** must, subject to subsection 8(2), calculate 3 ranges for a **uniform capacity value** on an asset-specific basis as follows: (a) the 5% range, as follows: (i) calculate the upper limit, as follows:	

Section	Subsection	Proposed language	Stakeholder comments
		(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; (B) average the asset's remaining availability factor or capacity factor, as applicable; and (C) multiply the average remaining availability factor or capacity factor, as applicable, by the asset's **maximum capability**; and (ii) calculate the lower limit, as follows: (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; (B) average the asset's remaining availability factor or capacity factor, as applicable; and (C) multiply the average remaining availability factor or capacity factor, as applicable, by the asset's **maximum capability**; (b) the +/- 2% range, as follows: (i) calculate the upper limit, as follows: (A) 2% multiplied by the **maximum capability**; (B) added to the **uniform capacity value**; and (ii) calculate the lower limit, as follows: (A) 2% multiplied by the **maximum capability**; (B) subtracted from the **uniform capacity value**; and (c) the +/- 1 MW range, as follows: (i) calculate the upper limit by adding 1 MW to the **uniform capacity value**; and (ii) calculate the lower limit by subtracting 1 MW to the **uniform capacity**	

Section	Subsection	Proposed language	Stakeholder comments
		value.	
8	**(2)**	The **ISO** must not calculate the **uniform capacity value** ranges in subsection 7(1) for: (a) assets with **new capacity** or refurbished capacity; (b) incremental capacity; (c) a load asset; and (d) an import asset.	
		Notification of Tightest Supply Cushion Hours and Preliminary Uniform Capacity Values	
9	**(1)**	The **ISO** must publish on the AESO website: (a) the 1250 tightest supply cushion hours identified in accordance with subsection 2; and (b) the class averages referred to in subsection 6(a).	
9	**(2)**	The **ISO** must provide the following information to a **capacity market participant** on an asset-specific basis: (a) the hours in the historical data set, referred to in subsection 3; (b) the **uniform capacity value** calculated in accordance with subsections 4, 5 and 6, as applicable; (c) the methodology used to calculate the **uniform capacity value**; (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 **maximum capability**; and 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.	The MSA requests access to this data as well.
		Uniform Capacity Value Variances	

Section	Subsection	Proposed language	Stakeholder comments
10	**(1)**	A **capacity market participant** may, within the timelines prescribed by the *Capacity Market Auction* Guidelines and in the manner specified by the **ISO**, submit to the **ISO**: (a) a request to vary the **uniform capacity value** of an asset for a reason set out in subsection 10(2); and (b) detailed information in support of the request, including, as applicable: (i) metering or Energy Trading System data; (ii) information regarding a planned or completed physical change to the asset demonstrating that the **maximum capability** will increase or decrease by at least 1 MW; (iii) the characteristics, selection criteria and rationale for comparable assets, for class average and jurisdictional assessment requests, including: (A) **maximum capability**; and (B) available production and load data, and (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.	
10	**(2)**	The **ISO** may accept a request made in accordance with subsection 10(1) on the following: (a) the metering or Energy Trading System data during the historical data set evaluated by the **ISO** did not accurately reflect the **available capability** of the asset; (b) the asset has or will undergo a physical change before the start of the **obligation period** that will increase or decrease the **maximum capability** of the asset by at least 1 MW; or (c) where the class average data, production or load estimates, or jurisdictional assessment used in calculating the **uniform capacity value**, 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.	The drafting can be interpreted to suggest that in some circumstances the ISO does not even need to consider a request. See below for a suggested change: A market participant may elect to make a request in accordance with subsection 10(1) based on the following: (a) the metering or Energy Trading System data during the historical data set evaluated by the **ISO** did not accurately reflect the **available capability** of the asset; (b) the asset has or will undergo a physical change before the start of the **obligation period** that will increase or decrease the **maximum capability** of the asset by at least 1 MW; or (c) where the class average data, production or load estimates, or jurisdictional

Section	Subsection	Proposed language	Stakeholder comments
			assessment used in calculating the **uniform capacity value**, 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. The ISO shall consider the request and may elect to amend the previously assigned **uniform capacity value.**
10	**(3)**	The **ISO** must notify the **capacity market participant** of its decision.	It might be useful for the ISO to provide reasons where requested aka subsection 10(2) above where requested.
		Declaration and Assignment of Final Uniform Capacity Value	
11	**(1)**	A **capacity market participant** must, in accordance with the timelines specified in the *Capacity Market Auction Guidelines* declare to the **ISO**, as applicable, the **uniform capacity value** within the range identified in subsection 8(1) that it will use for the auction.	
11	**(2)**	The **ISO** must, in accordance with the timelines specified in the *Capacity Market Auction Guidelines*, notify the **capacity market participant** of its assigned **uniform capacity value**.	This is unclear whether someone can pick a range of values and then get an assigned. Perhaps "assigned uniform capacity value" should be defined.

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, *Uniform Capacity Value Determination* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 206.3, *Uniform Capacity Value Determination* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.3, *Uniform Capacity Value Determination* and whether, in your view, the proposed new ISO Rule – Section 206.3, *Uniform Capacity Value Determination* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 206.3, *Uniform Capacity Value Determination* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.3, *Uniform Capacity Value Determination*	
6	whether you agree with the proposed new ISO Rule – Section 206.3, *Uniform Capacity Value Determination* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.3, *Uniform Capacity Value Determination*	
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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

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.

Stakeholder Comment Matrix – September 7, 2018

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

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 206.5 applies to: (a) a **capacity market participant**; and (b) the **ISO**.	
		Requirements **Milestone Assessment**	
2	**(1)**	The **ISO** must develop and publish on the AESO website, the critical milestones and associated target completion dates applicable to respective asset classes identified by the **ISO**.	
2	**(2)**	The **ISO** must prior to each **rebalancing auction** and in accordance with the timelines prescribed in the *Capacity Market Auction Guidelines*, determine if an asset with **new capacity**, incremental capacity, or refurbished capacity that is subject to a **capacity commitment** has achieved the critical milestones prior to the target completion date in advance of the **rebalancing auction**, as applicable.	
2	**(3)**	The **ISO** must, where it has determined under subsection 2(2) that an asset with **new**	

Section	Subsection	Proposed language	Stakeholder comments
		capacity has not achieved one or more critical milestones that have target completion dates prior to the date of the applicable **rebalancing auction**, reasonably determine whether or not such asset will be able to achieve such critical milestone(s): (a) in the case of the first **rebalancing auction**, within 8 **months** after the applicable target completion date(s); and (b) in the case of the second **rebalancing auction**, and in the case of the singular **rebalancing auction** within the transitional period, within 5 **months** after the applicable target completion date(s).	
		Unique Asset Classes	
3	**(1)**	The **ISO** ~~may~~must, if it received a project plan for an asset with **new capacity** pursuant to Section 206.1 of the **ISO rules**, *Qualification of Capacity* 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.	Language in section 206.1 7(1)(c)(i) uses the language "ISO must". Recommend changing the language in this section to be consistent.
3	**(2)**	The **ISO** must notify **capacity market participants** of its proposed critical milestones and associated target completion dates under subsection 3(1).	
3	**(3)**	The **ISO** 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 **ISO** must determine if an asset with **new capacity** has not achieved one or more critical milestones that have target completion dates prior to the date of the applicable **rebalancing auction.**	
		Outcome of Milestone Assessment	
4		A **capacity market participant** must, where the **ISO** has determined under subsection 2 that an asset will not achieve one or more critical milestones, submit a **bid** in respect of the **new capacity**, incremental capacity, or refurbished capacity of such asset in accordance with Section 206.4 of the **ISO rules**, *Offers and Bids for the Capacity Market.*	
		Milestone Assessment for Load Assets	

Section	Subsection	Proposed language	Stakeholder comments
5	**(1)**	The **ISO** must, prior to the last **rebalancing auction** for each load asset with **new capacity** that is subject to a **capacity commitment**, make a determination of whether the asset will be able to provide a minimum 75% of the **capacity commitment** based on the supporting evidence submitted pursuant to subsection 5(2).	
5	**(2)**	A **capacity market participant** must submit evidence of sufficient contracted loads to meet the milestone in subsection 5(1) and any other information that the **ISO** requires.	
5	**(3)**	The **ISO** must notify the **capacity market participant** of its determination under subsection 5(1).	
5	**(4)**	A **capacity market participant** must, where the **ISO** has determined under subsection 5(1) that the asset will not be able to achieve the milestone by the last **rebalancing auction**, submit a **bid** in respect of the **new capacity** of such asset in accordance with Section 206.4 of the **ISO rules**, *Offers and Bids for the Capacity 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 206.5, *Forward Period Milestone Assessment* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 206.5, *Forward Period Milestone Assessment* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.5, *Forward Period Milestone Assessment* and whether, in your view, the proposed new ISO Rule – Section 206.5, *Forward Period Milestone Assessment* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 206.5, *Forward Period Milestone Assessment* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.5, *Forward Period Milestone Assessment*	
6	whether you agree with the proposed new ISO Rule – Section 206.5, *Forward Period Milestone Assessment* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.5, *Forward Period Milestone Assessment*	

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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

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.

Stakeholder Comment Matrix – September 7, 2018

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

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 206.7 applies to: (a) a **person** who has offer control over **capacity** from an asset that has been assigned a **uniform capacity value** for a **base auction**; and (b) the **ISO**.	
		Market Power Screen	
2	**(1)**	The **ISO** must, before a **base auction** and within the timelines prescribed by the *Capacity Market Auction Guidelines*, identify those **persons** who have market power by conducting the following steps: (a) determine the price corresponding to the inflection point on the final demand curve for the **base auction**; (b) determine the slope above the inflection point of the final demand curve for the **base auction** using the following formula: $$m = \frac{y_{cap} - y_{ip}}{x_{min} - x_{ip}}$$	Based on the wording of the proposed rule, it appears that the mitigation regime in the capacity market is limited to whether a person can effect a 10% change in the clearing price over an area around the inflection point. This is inconsistent with what was proposed in CMD Final which suggested that the mitigation regime would consider market power over the entire demand curve.

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

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

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

Section	Subsection	Proposed language	Stakeholder comments
2	**(3)**	The **ISO** must, in accordance with the timelines established in the *Capacity Market Auction Guidelines*: (a) publish the minimum amount of **capacity** identified in subsection 2(1)(g); and (b) notify a **person** that has been identified in subsection 2(2) as having market power.	
		Offer price cap	
3		Subject to subsection 4, a **person** 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 **offer control** of such **person**, except for **new capacity**, refurbished capacity, or incremental capacity, submit an **offer** in a **base auction** at or below an **offer** price cap as follows: (a) where the price cap for the **base auction** is set at a multiple of net-CONE in accordance with Section 207.3 of the **ISO rules**, *Shape of Demand Curve*, the **offer** price cap is an amount that is 80% of the net-CONE; or (b) where the price cap for the **base auction** is set at a multiple of gross-CONE in accordance with Section 207.3 of the **ISO rules**, *Shape of Demand Curve* the **offer** price cap 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 **ISO rules**, *Shape of Demand Curve* multiplied by gross-CONE.	The MSA has expressed substantive concerns with the mitigation scheme proposed by the ISO in its Notice dated August 23, 2018. Pursuant to the ISO's instruction those concerns will not be repeated here.
		Asset-specific offer price cap	
4	**(1)**	A **person** that has received a notification in accordance with subsection 2(3)(b) as having market power may submit to the **ISO**, in the form and manner the **ISO** specifies, a request for an asset-specific offer price cap to offer **capacity** from an asset under the **offer control** of such **person**, except for **new capacity**, refurbished capacity or incremental capacity, above the **offer** price cap established in subsection 4.	
4	**(2)**	A **person** requesting an asset-specific price cap, in accordance with subsection 4(1), must submit to the **ISO** the following: (a) the asset to which the asset-specific price cap request applies;	

Section	Subsection	Proposed language	Stakeholder comments
		(b) avoidable costs of the asset for the **obligation period**; (c) any costs necessary for the **ISO** to calculate the energy and ancillary services offset in accordance with subsection 4(4)(a); and (d) an attestation from a corporate officer of the **legal owner** that has **offer control** over the asset that the information provided pursuant to subsections 4(2)(b) and 4(2)(c) are complete and accurate.	
4	**(3)**	The **ISO** may, with respect to the avoidable costs submitted pursuant to subsection 4(2)(b), exclude costs items that are unreasonable.	The word “may” should be replaced with “must” or “shall”. “With respect to the avoidable costs submitted pursuant to subsection 4(2)(b), the ISO shall exclude costs items that are unreasonable.”
4	**(4)**	The **ISO** must, when a request is made for an asset-specific price cap under subsection 4(1)(a): (a) calculate the energy and ancillary services offset, as applicable, using the methodology set out in Section 206.11 of the **ISO rules**, *Energy and Ancillary Services Offset for Assets* for the asset to which the request for the asset-specific offer price cap applies; and (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 **ISO** pursuant to subsection 4(3).	EAS offset (206.11) should be shaped to reflect the distribution of pool prices and the ability of the reference technology to be dispatched quickly.
4	**(5)**	The **ISO** must, if it determines the amount calculated in subsection 4(4)(b) is greater than the **offer** 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 **person** that submitted the asset-specific price cap request under subsection 4(1)(a).	
4	**(6)**	A **person** must, if the **person** has been provided an asset-specific offer price cap in accordance with subsection 4(5), submit an **offer** in the **base auction** at a price equal to or below the asset-specific **offer** price cap for the **capacity** from an asset referred to in subsection 4(2)(a).	

Section	Subsection	Proposed language	Stakeholder comments
4	**(7)**	A **person** must, if the **person** does not receive an asset-specific price cap pursuant to subsection 4(5), submit an **offer** in the **base auction** at or below the **offer** price cap established in subsection 3 for the **capacity** from an asset referred to in subsection 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, *Capacity Market Mitigation* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation* and whether, in your view, the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation*	
6	whether you agree with the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.7, *Capacity Market Mitigation*	
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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

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.

Stakeholder Comment Matrix – September 7, 2018

Proposed New ISO rule – 206.8, *Obligation Period Performance Assessments*

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 206.8 applies to: (a) the **ISO**.	
		Requirements **Availability Hours during an Obligation Period**	
2	**(1)**	The **ISO** must select 250 hours from each **obligation period** to assess availability as follows: (a) calculate the supply cushion for every hour in an **obligation period**; (b) rank all hours based on supply cushion in ascending order; (c) within the order referred to in subsection 2(1)(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(1)(b) and 2(1)(c).	It appears that there will be two measurements of supply cushion one for the mitigation regime (ISO Rule Section 203.5) which is calculated ex-ante and one for the performance assessments which is calculated ex-post. This may not be consistent with CMD-Final and all analysis the AESO has presented to support the design uses ex-post supply cushion calculations.
2	**(2)**	The **ISO** must, in order to establish the availability hours for an asset, remove the following	

Section	Subsection	Proposed language	Stakeholder comments
		hours from the 250 hours identified in subsection 2(1) on an asset-specific basis: (a) hours in which there was a state of markets suspension; and (b) hours that the **ISO** determines that the asset is affected by 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.	
		Delivery Hours for a Settlement Period	
3	**(1)**	The **ISO** must select hours to assess delivery for a **settlement period** by identifying any hours or portions thereof in which a supply shortfall has occurred and the **ISO** has declared an energy emergency event in accordance with Section 305.1 of the **ISO rules**, *Energy Emergency Alerts*.	
3	**(2)**	The **ISO** must, in order to establish the delivery hours for an asset, remove the following hours from the hours selected in subsection 3(1) on an asset-specific basis: (a) hours in which there was a state of markets suspension; and (b) hours that the **ISO** determines that the asset was affected by 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.	
		Look-back Baseline for a Load Asset Providing a Firm Consumption Level	
4		The **ISO** must, for each of the availability hours established in subsection 2(2), calculate the look-back baseline as a volume in MW for a load asset as follows: (a) identify the **metered energy** for the **settlement intervals** with the same **hour ending** as the availability hour in the **days** which must be either: (i) the 15 most recent **business days** prior to the **day** with the availability hour if the availability hour falls on a **business day**; (ii) the 10 most recent weekend **days** or holidays prior to the **day** with the	

Section	Subsection	Proposed language	Stakeholder comments
		availability hour if the availability hour falls on a weekend **day** or a holiday; or (iii) the **days** the **ISO** specifies if, in the 45 **day** period prior to the **day** with the availability hour, there are fewer than 15 **business days** and 10 weekend **days** when **days** containing **settlement intervals** identified in subsection 4(b) are excluded; (b) determine if any **settlement intervals** referred to in subsection 4(a) contain: (i) any of the availability hours established in subsection 2(2); or (ii) any of the delivery hours established in subsection 3(2); and (c) calculate the average of the **metered energy** for the **settlement intervals** referred to in subsection 4(a) excluding the **metered energy** for the **settlement intervals** identified in subsection 4(b).	
		Delivery Baseline for a Load Asset Providing Guaranteed Load Reduction	
5	**(1)**	The **ISO** must, for each of the delivery hours established in subsection 3(2), calculate the standard baseline in MW as follows: (a) identify the **days** for the calculation which must be either: (i) the 10 most recent **business days** prior to the **day** with the delivery hour if the delivery hour falls on a **business day**; (ii) the 5 most recent weekend **days** or holidays prior to the **day** with the delivery hour if the delivery hour falls on a weekend **day** or a holiday; or (iii) the **days** the **ISO** specifies if, in the 35 **day** period prior to the **day** with the delivery hour, there are fewer than 10 **business days** and 5 weekend **days** when **days** identified in subsection 5(1)(b) are excluded or replaced; (b) exclude or replace any of the **days** identified in subsection 5(1)(a) if the following occurred: (i) the asset received **dispatch** for an amount greater than 0 MW; (ii) delivery was assessed in accordance with subsection 9(1); (iii) the load asset was subject to a **delayed forced outage** or **automatic**	

Section	Subsection	Proposed language	Stakeholder comments
		forced outage; (iv) the load asset was subject to a **planned outage**; or (v) the load asset was tripped for the provision of **load shed service**; (c) for each of the **days** identified in accordance with subsections 5(1)(a) excluding or replacing the **days** as indicated in subsection 5(1)(b), identify the **metered energy** for the **settlement interval** with the same **hour ending** as the delivery hour; and (d) calculate the average of the **metered energy** for the **settlement intervals** referred to in subsection 5(1)(c).	
5	**(2)**	The **ISO** must, for each delivery hour established in subsection 3(2), calculate an adjustment factor as follows: $adjustment\ factor = delivery\ consumption \div historical\ consumption_{3W}$ where: delivery consumption means the average consumption in MWh during the 3 hour window occurring 1 hour before the delivery hour; historical consumption means the average consumption in MWh during all of the 3W hours on the **days** identified in accordance with subsections 5(1)(a) and excluding or replacing the **days** as indicated in subsection 5(1)(b); and 3W means the 3 hour window occurring 1 hour before the same **hour ending** as the delivery hour.	
5	**(3)**	The **ISO** must establish the adjustment factor as: (a) 1.2 if the adjustment factor calculated in accordance with subsection 5(2) is greater than 1.2; (b) 0.8 if the adjustment factor calculated in accordance with subsection 5(2) is less than 0.8; or (c) the value calculated in accordance with subsection 5(2) in all other cases.	
5	**(4)**	The **ISO** must calculate the delivery baseline in MW as follows:	

Section	Subsection	Proposed language	Stakeholder comments
		delivery baseline = standard day baseline x adjustment factor where: the standard day baseline in MW is calculated in accordance with subsection 5(1); and the adjustment factor is the value established in accordance with subsection 5(3).	
		Asset-specific Penalty Rate for Availability Assessment	
6	**(1)**	The **ISO** must calculate the asset-specific penalty rate in $/MWh to be applied during the availability assessment, as follows: $$\textit{asset-specific penalty rate} = \frac{\text{capacity payment x 12}}{\text{capacity commitment x hours}}$$ where: capacity payment in $/month is calculated for the asset in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*; **capacity commitment** is in MW; and hours is the number of availability hours established in accordance with subsection 2(2).	
6	**(2)**	The **ISO** must establish the asset-specific penalty rate in $/MWh as: (a) $133/MWh, if the rate calculated in accordance with subsection 6(1) is less than $133/MWh and the clearing price of the **base auction** was greater than $33/kW-year; (b) $0/MWh, if the rate calculated in accordance with subsection 6(1) is less than $0/MWh and the clearing price of the **base auction** was less than or equal to $33/kW-year; or (c) the rate calculated in accordance with subsection 6(1) in all other cases.	
		Availability Assessment	

Section	Subsection	Proposed language	Stakeholder comments
7	(1)	The **ISO** must, as soon as practicable after an **obligation period**, identify the asset's availability volume in MWh during each of the availability hours identified in subsection 2 as follows: (a) for an asset with a **uniform capacity value** based on a capacity factor, availability volume is based on the sum of the following for each **settlement interval**, as applicable: (i) **metered energy**; (ii) in the case of an asset that was subject to a **dispatch** for **spinning reserve** or **supplemental reserve**, the volume that was provided according to Section 205.5 of the **ISO rules**, *Spinning Reserve Technical Requirements and Performance Standards* or Section 205.6 of the **ISO rules**, *Supplemental Reserve Technical Requirements and Performance Standards*; (iii) in the case of an asset that provides **regulating reserve**, the volume based on the **regulating reserve** provided pursuant to Section 205.4 of the **ISO rules**, *Regulating Reserve Technical Requirements and Performance Standards* that is not captured as **metered energy**; and (iv) in the case of an asset that was impacted by a **transmission market constraint**, the volume that was curtailed; (b) for an asset with a **uniform capacity value** based on **availability factor**, availability volume is equal to: (i) the **available capability** submitted into the Energy Trading System where the **offer** for electric energy was available for **dispatch** for that **settlement interval**; and (ii) if applicable, any **operating reserves** provided in that **settlement interval** pursuant to a **dispatch**; or (ii) 0 MW when there was no electric energy from the asset available for dispatch for that **settlement interval**; (c) for a load asset that provides a **guaranteed load reduction**, availability volume is the **available capability** for that **settlement interval**; (d) for a load asset that provides a **firm consumption level**, availability volume is	

Section	Subsection	Proposed language	Stakeholder comments
		based on the difference between the look-back baseline calculated in accordance with subsection 3 and the **firm consumption level** for that **settlement interval**; (e) for self-supply assets that are dispatched gross to grid, availability volume is based on the linear regression approach set out in Section 206.3 of the **ISO rules**, *Determination of Uniform Capacity Value*; and (f) for an import asset, availability volume is the **available capability** for that **settlement interval** capped at the volume of firm transmission established in accordance with Section 206.1 of the **ISO Rules**, *Qualification of Capacity.*	
7	**(2)**	The **ISO** must calculate the assessment volume in MWh for an asset as follows: *assessment volume* = $\sum$availability volume – ***capacity commitment*** *x hours* where: availability volume in MWh is the value identified for each of the availability hours in accordance with subsection 7(1); and hours is the number of availability hours established in accordance with subsection 2(2).	
		Under-availability Adjustment	
8	**(1)**	The **ISO** must, when the assessment volume calculated in accordance with subsection 7(2) is negative, calculate the under-availability adjustment in dollars for an asset as follows: *under-availability adjustment = adjustment rate x assessment volume* where: adjustment rate in $/MWh is calculated in accordance with subsection 8(2); and assessment volume in MWh is calculated in accordance with subsection 7(2).	
8	**(2)**	The **ISO** must calculate the adjustment rate in $/MWh, for each asset, as follows: *adjustment rate = 40% x 1.3 x asset-specific penalty rate*	

Section	Subsection	Proposed language	Stakeholder comments
		where: asset-specific penalty rate in $/MWh is determined in accordance with subsection 6(2).	
8	**(3)**	The **ISO** must, for each asset, limit the under-availability adjustment amount for an **obligation period** to: (a) an amount in dollars equal to the annual cap determined in accordance with subsection 14(2) minus the sum of all under-delivery adjustments determined in accordance with subsection 12(3) for the **obligation period**, if the sum of the under-availability adjustment determined in accordance with subsection 8(1) and under-delivery adjustments for the **obligation period** is greater than the annual cap; or (b) the amount in dollars calculated in accordance with subsection 8(1), in all other cases.	
		Over-availability Adjustment	
9	**(1)**	The **ISO** must, when the assessment volume calculated in accordance with subsection 7(2) is positive, calculate the over-availability adjustment in dollars for an asset as follows: *over-availability adjustment = adjustment rate x assessment volume* where: adjustment rate is the value calculated in accordance with subsection 9(2); and assessment volume in MWh is calculated in accordance with subsection 7(2).	
9	**(2)**	The **ISO** must calculate the adjustment rate in $/MWh, which is the same value for all assets, as follows: $$adjustment\ rate = \frac{\sum under\text{-}availability\ adjustments}{\sum positive\ assessment\ volumes}$$ where: under-availability adjustments in dollars is determined in accordance with 8(3) for all assets subject to a **capacity commitment** in an **obligation period**; and positive assessment volumes in MWh is the positive values calculated in	

Section	Subsection	Proposed language	Stakeholder comments
		accordance with subsection 7(2) for all assets subject to a **capacity commitment** in an **obligation period**.	
9	**(3)**	The **ISO** must, for each asset, limit the over-availability adjustment amount for an **obligation period** to an amount in dollars equal to the annual cap determined in accordance with subsection 15 minus the sum of all over-delivery adjustments determined in accordance with subsection 13(3) for the **obligation period.**	
		Asset-specific Penalty Rate for Delivery Assessments	
10	**(1)**	The **ISO** must calculate the asset-specific penalty rate in $/MWh for an asset, to be applied during the delivery assessments, as follows: $$\textit{asset-specific penalty rate} = \frac{\text{capacity payment x 12}}{\text{capacity commitment x hours}}$$ where: capacity payment in $/month is calculated for the asset in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*; and hours is the greater of 20 or the forecasted number of energy supply shortfall hours for the **obligation period** as described in the *Capacity Market Auction Guidelines* published for the last **rebalancing auction** of the **obligation period**.	
10	**(2)**	The **ISO** must establish the asset-specific penalty rate in $/MWh as: (a) $1,667/MWh, if the rate calculated in accordance with subsection 10(1) is less than $1,667/MWh and the clearing price of the **base auction** was greater than $33/kW-year; (b) $0/MWh, if the rate calculated in accordance with subsection 10(1) is less than $0/MWh and the clearing price of the **base auction** was less than or equal to $33/kW-year or (b) the rate calculated in accordance with subsection 10(1) in all other cases.	
		Delivery Assessments	
11	**(1)**	The **ISO** must, as soon as practicable in the **settlement period** following each delivery hour established in subsection 3(2), identify an asset's delivery volume in MWh during	

Section	Subsection	Proposed language	Stakeholder comments
		each of the delivery hours as follows: (a) for an asset with a **uniform capacity value** based on a **capacity factor** or **availability factor**, the delivery volume is based on the sum of the following for each **settlement interval**, as applicable: (i) **metered energy**; (ii) in the case of an asset that was subject to a **dispatch** for **spinning reserve** or **supplemental reserve**, the volume that was provided according to Section 205.5 of the **ISO rules**, *Spinning Reserve Technical Requirements and Performance Standards* or Section 205.6 of the **ISO rules**, *Supplemental Reserve Technical Requirements and Performance Standards*; and (iii) in the case of an asset that provided **regulating reserve**, the volume based on the **regulating reserve** provided pursuant to Section 205.4 of the **ISO rules**, *Regulating Reserve Technical Requirements and Performance Standards* that is not captured as **metered energy**; (b) for a load asset that provides a **guaranteed load reduction**, the delivery volume is equal to the delivery baseline calculated in accordance with subsection 5(4) minus the following for each **settlement interval**, as applicable: (i) **metered energy**; and (ii) in the case of an asset that provided **spinning reserve** or **supplemental reserve**, the volume that was dispatched. (c) for a load asset that provides a **firm consumption level**, the delivery volume is equal to the qualified baseline as calculated in accordance with Section 206.3 of the **ISO rules**, *Determination of Uniform Capacity Value* minus the following for each **settlement interval**, as applicable: (i) **metered energy**; and (ii) in the case of an asset that provided **spinning reserve** or **supplemental reserve**, the volume that was dispatched. (d) for self-supply configurations with excess generation, the delivery volume is based on **metered energy**; and	

Section	Subsection	Proposed language	Stakeholder comments
		(e) for an import asset, the delivery volume is: (i) the volume in a validated **e-tag**; or (ii) in the case of an import asset where the **offer** price is greater than or equal to $0.01 per MWh during the first two delivery hours that are subject to the limits referenced in Section 303.2 of the **ISO rules**, *Available Transfer Capability*, the volume in the **offer**.	
11	**(2)**	The **ISO** must adjust the delivery volumes identified in subsection 11(1) for each delivery hour to include any delivery volume adjustments due to any substitutions which was approved in accordance with Section 206.9 of the **ISO rules**, *Asset Substitution*, and as follows: (a) in the case of an asset that was impacted by a **transmission market constraint**, the volume that was curtailed will be added to the delivery volume identified in subsection 11(1); (b) in the case of a load asset that was armed for the provision of **load shed service**, the volume that was armed will be added to the delivery volume identified in subsection 11(1); or (c) in all other cases, no adjustments to the delivery volume identified in subsection 11(1).	
11	**(3)**	The **ISO** must calculate the assessment volume in MWh for an asset during each delivery hour established in subsection 3(2) as follows: *assessment volume = delivery volume – (capacity commitment volume x balancing ratio)* where: delivery volume in MWh is the value in identified in subsection 11(2); capacity commitment volume in MWh means the quantity of electric energy expected to be delivered from an asset based on its **capacity commitment** during the supply shortfall hour or portion thereof; and balancing ratio is the value calculated in subsection 11(5).	

Section	Subsection	Proposed language	Stakeholder comments
11	**(4)**	The **ISO** must establish the assessment volume in MWh for an asset for each delivery hour established in subsection 3(2) as follows: (a) for an asset with a **uniform capacity value** based on a **capacity factor** or **availability factor**, the assessment volume is calculated in accordance with subsection 11(3) and subject to any reallocation volumes which were approved in accordance with Section 206.10 of the **ISO rules**, *Volume Reallocation*; (b) for self-supply configurations with excess generation the assessment volume is calculated in accordance with subsection 11(3) and subject to any reallocation volumes which were approved in accordance with Section 206.10 of the **ISO rules**, *Volume Reallocation*; (c) for an import asset, the assessment volume is calculated in accordance with subsection 11(3) and subject to any reallocation volumes which were approved in accordance with Section 206.10 of the **ISO rules**, *Volume Reallocation*; or (d) for a load asset that provides a **guaranteed load reduction** or a **firm consumption level**: (i) if the delivery hour occurred on a **day** which the load asset was subject to a **delayed forced outage** or **automatic forced outage**, that is not the first day of that **delayed forced outage** or **automatic forced outage**, the assessment volume is 0 MWh; (ii) if the supply shortfall hour occurred on a **day** which the load asset was subject to a **planned outage**, the assessment volume is 0 MWh; or (iii) in all other cases, the assessment volume is calculated in accordance with subsection 11(3) and subject to any reallocation volumes which were approved in accordance with Section 206.10 of the **ISO rules**, *Volume Reallocation*.	
11	**(5)**	The **ISO** must calculate for each delivery hour established in subsection 3(2), the balancing ratio as follows: $$balancing\ ratio = min\{\frac{\sum delivery\ volumes}{\sum capacity\ commitment\ volumes}, 1\}$$	

Section	Subsection	Proposed language	Stakeholder comments
		where: delivery volumes in MWh is the values identified in subsection 11(2) for all assets subject to a **capacity commitment** in an **obligation period**; and capacity commitment volumes in MWh means, for each asset subject to a **capacity commitment** in an **obligation period**, the quantity of electric energy expected to be delivered from an asset based on its **capacity commitment** during the supply shortfall hour or portion thereof.	
		Under-delivery Adjustment	
12	**(1)**	The **ISO** must, when the assessment value determined in accordance with subsection 11(4) is negative, calculate the under-delivery adjustment in dollars for an asset as follows: *under-delivery adjustment = adjustment rate x assessment volume* where: adjustment rate in $/MWh is calculated in accordance with subsection 12(2); and assessment volume in MWh is the value determined in accordance with subsection 11(4).	
12	**(2)**	The **ISO** must calculate the adjustment rate in $/MWh as follows: *adjustment rate = 60% x 1.3 x asset-specific penalty rate* where asset-specific penalty rate in $/MWh is determined in accordance with subsection 10(2).	
12	**(3)**	The **ISO** must, for each asset, cap the under-delivery adjustment amount for each **settlement period** to the lesser of: (a) the monthly cap determined in accordance with subsection 14(1); or (b) an amount equal to the annual cap determined in accordance with subsection 14(2) minus the sum of all under-delivery adjustments calculated in accordance with this subsection 12(3) for the prior **settlement periods** of the **obligation period**.	

Section	Subsection	Proposed language	Stakeholder comments
		Over-delivery Adjustment	
13	**(1)**	The **ISO** must, when the assessment value determined in accordance with subsection 11(4) is positive, calculate the over-delivery adjustment in dollars for an asset as follows: *over-delivery adjustment = adjustment rate x assessment volume* where: adjustment rate in $/MWh is calculated in accordance with subsection 13(2); and assessment volume in MWh is the value determined in accordance with subsection 11(4).	
13	**(2)**	The **ISO** must calculate the adjustment rate in $/MWh as follows: $adjustment\ rate = \frac{\sum under-delivery\ adjustments}{\sum positive\ assessment\ volumes}$ where: under-delivery adjustments in dollars is determined in accordance with 12(3) for all assets subject to a **capacity commitment** in an **obligation period**; and positive assessment volumes in MWh are the positive values calculated in accordance with subsection 11(4) for all assets subject to a **capacity commitment** in an **obligation period**.	
13	**(3)**	The **ISO** must, for each asset, limit the over-delivery adjustment amount in dollars for a **settlement period** to an amount equal to the annual cap determined in accordance with subsection 15 minus the sum of all over-delivery adjustments determined in accordance with this subsection 13(3) for the prior **settlement periods** of the **obligation period.**	
		Maximum Payment Adjustments for Under-availability and Under-delivery	
14	**(1)**	The **ISO** must cap for each asset, any under-delivery adjustment for a **settlement period** at an amount in dollars equal to: (a) *monthly cap = capacity payment x 3* where capacity payment in $/month is the asset's monthly capacity payment calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity*	

Section	Subsection	Proposed language	Stakeholder comments
		Payment Calculation; or (b) *monthly cap = default rate x* ***capacity commitment*** *x max{supply shortfall hours, 20}* where the default rate is $417/MW.	
14	**(2)**	The **ISO** must cap for each asset, the sum of any under-availability adjustment and under-delivery adjustments for each **obligation period** at an amount in dollars equal to the greater of: (a) *annual cap = capacity payment x 12 x 1.3* where capacity payment in $/month is the asset's monthly capacity payment calculated in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*; or (b) *annual cap = default rate x* ***capacity commitment*** where the default rate is $33,333/MW.	
		Maximum Payment Adjustments for Over-availability and Over-delivery	
15		The **ISO** must cap for each asset, the sum of any over-availability adjustment and over-delivery adjustments for an **obligation period** at an amount in dollars equal to the greater of: (a) *annual cap = capacity payment x 12* where capacity payment means the assets monthly capacity payment in dollars determined in accordance with Section 103.10 of the **ISO rules**, *Capacity Payment Calculation*; or (b) *annual cap = default rate x* ***capacity commitment*** where the default rate is $33,333/MW.	

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 206.8, *Obligation Period Performance Assessments* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 206.8, *Obligation Period Performance Assessments* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.8, *Obligation Period Performance Assessments* and whether, in your view, the proposed new ISO Rule – Section 206.8, *Obligation Period Performance Assessments* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 206.8, *Obligation Period Performance Assessments* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.8, *Obligation Period Performance Assessments*	
6	whether you agree with the proposed new ISO Rule – Section 206.8, *Obligation Period Performance Assessments* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.8, *Obligation Period Performance Assessments*	

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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

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 206.8, Obligation Period Performance Assessments.

Stakeholder Comment Matrix – September 7, 2018

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

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 206.11 applies to: (a) the **ISO**; and (b) a **capacity market participant** requiring an energy and ancillary services offset for and asset.	The ISO is proposing two rules that calculate an EAS offset one for net-cone and one for other purposes. There should be one rule that establishes the offset for all purposes. The MSA has the same comments on Section 5 of rule 207.2 that estimates the offset for the calculation of net-cone.
		Requirements **Calculation of Energy and Ancillary Services Offset for Assets**	
2	**(1)**	The **ISO** must, when required under Section 201.15 of the **ISO rules**, *Delisting* and Section 206.8 of the **ISO rules**, *Capacity Market Mitigation,* for every **obligation period** or portion of an **obligation period**, calculate the energy and ancillary services offset value in accordance with the following formula: $$\text{EAS Offset}_t = \frac{(\text{Forward Power Price}_t - \text{Energy Market Expense}_t) \times \text{Forward Product Energy}_t + Other\ \ non-electricity\ market\ revenues}{\text{Nameplate Capacity} \times 1000}$$ where; (i) *t* equals the **obligation period** or portion of an **obligation period**, for	CMD final indicates forward prices will be used to calculate the EAS offset but provides little detail on how this would be done. The rule defines the EAS offset as: EAS Offset $_t$ 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 **obligation period** *t*; "may be expected" is the wrong standard. The MSA suggests this is amended to "is

Section	Subsection	Proposed language	Stakeholder comments
		which the energy and ancillary services offset is being determined; (ii) EAS Offset $_t$ 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 **obligation period** *t*; (iii) Forward Power Price $_t$ is in $/MWh and is the weighted average of the settlements matching the **obligation period** *t*, where the settlements are the average over a period determined by the **ISO**, of the published NGX forward power product in Appendix 1 that yields the highest EAS Offset $_t$ for **obligation period** *t.* (iv) Energy Market Expense $_t$ is the energy market expenses for the asset in $/MWh for **obligation period** *t* calculated in accordance with subsection 2(5) below; (v) Forward Product Energy $_t$ is the forward product energy value in MWh for **obligation period** *t* calculated in accordance with subsection 2(4) below; and (vi) Nameplate Capacity is the **maximum capability** of the asset.	expected" The rule also includes an equation that seeks to calculate this defined EAS offset. The MSA does not believe the right hand side of the equation will provide an a reasonable estimate of the 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 obligation period t for the following reasons: The definition of the forward price is problematic. The forward price at time t is defined as a price that yields an EAS offset that is highest; the inputs to the calculation are thus determined by the outputs. It appears the ISO is actually intending is calculating an EAS offset for each of the indices listed in Appendix 1 then selecting the highest offset. If that is indeed the case the rule could be written much more clearly. Appendix 1 lists forward products that the AESO will use in evaluating EAS Offset. The MSA as two concerns: • None of the listed products may be a good match for the hours in which a hypothetical stand-alone unit of a given type would be dispatched. • The settlement prices listed on NGX for some of the products listed may not be based on any actual trades or may be so illiquid that they are unreliable or subject to manipulation. A simple improvement to the ISO rule would be to rely only forward products with sufficient liquidity and then use historical data on the price distribution to determine in which hours a hypothetical unit would run and which hours it would not. Further only in hours when the unit was expected to run would variable costs would be incurred. Clarity of the rule could be improved. The capacity market obligation periods are anticipated to cover parts of two calendar years each with different prices and costs. It appears as if the ISO intends to calculate an offset for two different periods and then weight them. If so, clarity would be enhanced be setting out both the weights. The ISO uses the term nameplate capacity as the denominator which is then defined as maximum capability. Given these two terms do not usually mean the same thing why

Section	Subsection	Proposed language	Stakeholder comments
			not just use the defined term maximum capability. The forward power price has one definition in section 2(1)(iii) and then is redefined for some assets in section 2(2). Clarity of the rule would be improved if the Forward Power price was defined in one section. The CMD final rationale (section 4.3.6) states the ISO is seeking to develop a transparent replicable methodology. In order to achieve this, the ISO should publish in detail its calculations.
2	**(2)**	The **ISO** 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).	The selection of the 50% threshold appears to be arbitrary. Availability factor is not defined. It should be.
2	**(3)**	The **ISO** must calculate the forward power price adjustment factor as the realized energy renenues from the immediately preceeding **obligation period** divided by the average **pool price** from the immediately preceeding **obligation period** where the realized energy revenues equal hourly production of the asset in MWh multiplied by the **pool price** in each of those hours.	What data is the ISO intending to use for the first obligation period? Depending on the timing of auctions a number of EAS offset calculations will have been undertaken prior to there having been an obligation period. In determining the offset the ISO is weighting using actual production of and average pool price received by an asset that may have been offered in a portfolio. In the event that the unit has been withheld or did not run for another reason the methodology would underestimate the revenue that could be expected from a stand-alone entity (see CMD final section 4.3.6).
2	**(4)**	The **capacity market participant** must provide the **ISO** with the expectation of forward product energy production in MWh for the asset during the **obligation period** t or a portion of an obligation period, for which the generation is being determined.	What is this used for? If the rule requires this information to be provided and it is used to calculate the offset the MSA has concerns with the lack of specificity as to how capacity market participants are supposed to determine their expectations. At the time offset are calculated. Capacity market participants do not know whether they have cleared in the capacity auction or not. Is the capacity market participant not required to provide information on “Other non-

Section	Subsection	Proposed language	Stakeholder comments
			market revenues". If so, how are they estimate them?
2	**(5)**	The **ISO** must, in calculating the EAS Offset $_t$ under subsection 2(1) above, calculate the Energy Market Expense $_t$ using the following formula: $\text{Energy Market Expense}_t = [\text{Forward Fuel Price}_t + (1 + \text{Commodity Fuel Charge}_t)] \times \text{Heat Rate}_t + \text{Variable Operations and Maintenance}_t + (\text{Emission Intensity} - \text{Established Benchmark}_t) \times \text{Carbon Price}_t + \text{Transmission Losses}_t + \text{Trading Charge}_t$ where; (i) *t* equals the **obligation period**, or the portion of an **obligation period**, for which the energy and ancillary services offset is being determined; (ii) Forward Fuel Price $_t$ is (A) For natural gas fueled assets: the weighted average of the settlements matching **obligation period** *t*, where the settlements are the average over the period determined by the **ISO** in subsection 2(1)(i), of NGX Phys, FP (CA/GJ), AB-NIT; (B) For thermal assets that are not fueled by natural gas: the **capacity market participant** must provide the **ISO** the expected variable cost of fuel in $/GJ, including variable transporation charges, for the asset during the **obligation period** t. (C) For non thermal assets: this variable does not apply (iii) Commodity Fuel Charge $_t$ relates to natural gas fueled assets only and is the most recent 12 **month** average of published NOVA Gas Transmission Ltd NGTL Fuel Usage and Measurement Variance; (iv) Heat Rate relates to thermal assets only; the **capacity market participant** must provide the **ISO** the fuel consumption efficiency of the asset in GJ/MWh for the **obligation period** t; (v) Variable Operations and Maintenance $_t$ the **capacity market participant**	Some of the costs are not sufficiently defined. Further clarity on what should or should not be included in various costs is required.

Section	Subsection	Proposed language	Stakeholder comments
		must provide the **ISO** the variable operations and maintenance costs of the asset for **obligation period** *t* in $/MWh, excluding any fuel related costs and any amortized or capitalized costs; (vi) Emission Intensity is the amount of CO2 emited by the asset when producing a MWh of electicity; the **capacity market participant** must provide the **ISO** the Emissions Intenstity for the asset in tonnes of CO2/MWh; (vii) Established Benchmark$_t$ is the weighted average of the calendar year values matching **obligation period** *t* for an established benchmark for electricity published by a public authority; (viii) Carbon Price$_t$ is the weighted average of the calendar year values matching **obligation period** *t* for the carbon price published by a public authority for carbon emissions in Alberta; (ix) Transmission Losses$_t$ is the transmission loss value for **obligation period** *t* in $/MWh calculated as the loss factor of the asset multiplied the Forward Power Price$_t$ where: (i) the loss factor is the most recent published loss factor for the asset published on the AESO website; and (ii) Forward Power Price$_t$ for **obligation period** $_t$ is the value in subsection 2(1)(a)(iii). (x) Energy Market Trading Charge$_t$ is the most recent energy market trading charge in $/MWh published on the AESO website.	

Please provide your comments on this rule's appendices:

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, *Energy and Ancillary Services Offset for Assets* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 206.11, *Energy and Ancillary Services Offset for Assets* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.11, *Energy and Ancillary Services Offset for Assets* and whether, in your view, the proposed new ISO Rule – Section 206.11, *Energy and Ancillary Services Offset for Assets* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 206.11, *Energy and Ancillary Services Offset for Assets* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.11, *Energy and Ancillary Services Offset for Assets*	
6	whether you agree with the proposed new ISO Rule – Section 206.11, *Energy and Ancillary Services Offset for Assets* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.11, *Energy and Ancillary Services Offset for Assets*	
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	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

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.

Stakeholder Comment Matrix – September 14, 2018

Draft New Capacity Market Information Document – 201.13, *Capacity Market Clearing*

Period of Comment:	September 14, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.ca

Please provide comments relating to the Draft New Capacity Market Information Document in the corresponding box. Please provide your comments on the following:

Item #		Stakeholder comments
1	Is the information document clear, and does it assist in your understanding of the related ISO rule? If not, how could it be improved?	Section 8 does not include a step to break a tie between same priced flexible and inflexible blocks.
2	Are there any sections or material in the information document that you would suggest are unnecessary?	
3	Are there any sections or material that you would propose adding to the information document? Please feel free to propose wording.	
4	Are there any other comments you would like to provide?	The MSA is of the view that the IDs should not contain substantive content and information regarding the operation of the market should be in the authoritative documents.

Stakeholder Comment Matrix – September 7, 2018

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

Period of Comment:	September 7, 2018	through	September 28, 2018	**Contact:**	Anders Renborg / Shanelle Sinclair
Comments From:	MSA			**Phone:**	403-233-4682/ 403-705-3180
Date [yyyy/mm/dd]:	2018/09/28			**Email:**	Anders.Renborg@albertamsa.ca/Shanelle.Sinclair@albertamsa.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
		Applicability	
1		Section 203.5 applies to: (a) a **pool participant** that submit **offers** in the energy market for a **source asset** ; (b) the **legal owner** of a **generating unit** or **aggregated generating facility**; and (c) the **ISO**.	The MSA has expressed substantive concerns with the mitigation scheme proposed by the ISO in its Notice dated August 23, 2018. Pursuant to the ISO's instruction those concerns will not be repeated here.
		Requirements **Expected Supply Cushion for Mitigation**	
2	**(1)**	The **ISO** must: (a) publish the method for calculating the expected supply cushion on the AESO website; and (b) provide 120 days' notice notice to **pool participant** before changing to the method for calculating the expected supply cushion published in accordance with subsection 2(1)(a).	• Supply cushion should be defined in the Consolidated Authoritative Document Glossary. The calculation of supply cushion is fundamental to the market power mitigation regime as well as payment adjustments in the capacity market. It should be clearly defined and consulted on. In CMD 2 the data to be used was the same as in the Supply Adequacy report (CMD 2 section 10.7.14) . • It appears that there will be two measurements of supply cushion one for the mitigation regime which is calculated ex-ante and one for the performance assessments (ISO Rule Section 206.8) which is calculated ex-post. This may not be consistent with CMD-Final and all analysis the ISO has presented to support

Section	Subsection	Proposed language	Stakeholder comments
			the design uses ex-post supply cushion calculations.
2	**(2)**	The **ISO** must, for each **settlement interval**: (a) calculate the expected supply cushion using the method published in accordance with subsection 2(1)(a); (b) publish the expected supply cushion on the AESO website prior to the **settlement interval**; (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;. (d) select a value of the expected supply cushion observed during the two hours immediately prior to the **settlement interval**; (e) publish the value of the expected supply cushion which is selected for each **settlement interval** under subsection 2(2)(d) as soon as reasonably practicable after such selection is made.	Why is there a two hour range for the selection of the supply cushion value? Is it because of possible data glitches? The Rule does not specify when the ISO will begin publishing the supply cushion. It is likely the provision of this information (and updating of it) in advance of lockdown offers will impact offer behavior. This does not seem to have been contemplated in CMD final. CMD final does contemplate the ISO reporting on ex-ante market power mitigation yet no reports are contemplated in this rule – why not?
		Asset-Specific Cost Information –Generating Unit or Aggregated Generating Facility	
3	**(1)**	A **pool participant** must submit to the **ISO**, in the manner the **ISO** specifies, the following cost information related to the short-run marginal costs for a thermal **generating unit or aggregated generating facility**: (a) heat rate; (b) if the **source asset**'s fuel is not natural gas, fuel cost; (c) financial exposure to greenhouse gas emissions costs; and (d) any further cost information the **ISO** specifies.	
3	**(2)**	A **pool participant** must, in relation to the cost information submitted pursuant to subsection 3(1): (a) submit the cost information to the **ISO:** (i) for a **generating unit** or **aggregated generating facility** that has energized and commissioned**,** on or before a date the **ISO** specifies; or	What is a material change? The MSA suggests putting a metric around this of plus or minus a certain percentage of the cots.

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		(ii) for a **generating unit** or **aggregated generating facility** that has not completed energization and **commissioning**, before the energization and **commissioning** of such **generating unit** or **aggregated generating facility**. (b) determine the values of such cost information assuming that the **generating unit** or **aggregated generating facility** is operating under normal operating conditions at **maximum capability**; and (c) submit updated cost information to the **ISO** as soon as reasonably practicable upon becoming aware of any material change in the cost information submitted in accordance with subsection 3(1). (d) an attestation by a corporate officer of the **pool participant** that the cost information provided pursuant to subsection 3(1) is complete and accurate.	
3	**(3)**	The **ISO** may, with respect to cost information submitted pursuant to subsection 3(1), exclude costs determined by the **ISO** to be unreasonable.	The ISO should outline the test for reasonableness of costs this should exclude all costs that are not variable.
3	**(4)**	The **ISO** 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).	How?
3	**(5)**	The **ISO** must: (a) identify the current carbon price from the appropriate public authority; (b) identify the natural gas price for each **day** on a day-ahead basis, or as close to a day-ahead basis as reasonably practicable; and (c) estimate the variable operations and maintenance costs for a **generating unit** or **aggregated generating facility** on a c lass-specific basis.	CMD final contemplated using the fuel price relevant to each asset in the delivery hour t. (CMD final section 10.7.12). The ISO has switched to day-ahead gas prices instead. How has the ISO assessed this to be the relevant price? The ISO needs to specify which generator classes the calculation will be performed for and determine how each generator will be assigned a class. If costs within a class differ how will the ISO determine this estimate? Section 4 makes calculations based on an asset basis not on a class basis. Why is it necessary to have both?
		Asset-Specific Reference Price – Generating Unit or Aggregated Generating Facility	
4	**(1)**	The **ISO** 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 each **generating unit or aggregated generating facility** for each **settlement interval** as	

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		a sum of the following: (a) the heat rate multiplied by the fuel price, if applicable; (b) the exposure to greenhouse gas emissions costs multiplied by the carbon price from the appropriate public authority, if applicable; and (c) the estimated variable operations and maintenance cost.	
4	**(2)**	The **ISO** must, using the estimated short-run marginal costs derived pursuant to subsection 4(1), set the asset-specific reference price for each **generating unit or aggregated generating facility** for each **settlement interval** as an amount equal to: (a) the estimated short run marginal cost multiplied by 3, if the expected supply cushion selected for the **settlement interval** under subsection 2(2)(d) is 1,000 MW or greater; (b) the estimated short run marginal cost multiplied by 6, if the expected supply cushion selected for the **settlement interval** under subsection 2(2)(d) is 250 MW or greater and less than 1,000 MW; and (c) the maximum permissible price for an **offer** made under section 203.1 of the **ISO rules**, *Offers and Bids for Energy*, if the expected supply cushion selected for the **settlement interval** under subsection 2(2)(d) is less than 250 MW.	
		Asset-Specific Reference Price – Prescribed Non-Thermal Generating Source Assets Capable of Storing Energy	
5	**(1)**	The **ISO** may prescribe a set of non-thermal generating **source assets** to which this subsection 5 is applicable, provided that each generating **source asset** is capable of storing its fuel.	The title of this suggests the ISO would be limited to prescribing only assets capable of storing energy whereas the rule applies to assets capable of storing fuel. The MSA suggests a consistent approach to avoid confusion.
5	**(2)**	The **ISO** must, if the **ISO** prescribes a set of generating **source assets** in accordance with subsection 5(1) publish the list of such prescribed generating **source assets** on the AESO website.	
5	**(3)**	The **ISO** must, subject to subsection 5(4), set the asset-specific reference price for generating **source assets** prescribed pursuant to subsection 5(1) for each **settlement interval** as an amount equal to:	Is there a requirement for the ISO to publish 30 day rolling average pool price. If so at what frequency?

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		(a) the 30-day rolling average **pool price** most recently published by the **ISO** multiplied by 3, if the expected supply cushion selected for the **settlement interval** under subsection 2(2)(d) is 1,000 MW or greater; (b) the 30-day rolling average **pool price** most recently published by the **ISO** multiplied by 6, if the expected supply cushion selected for the **settlement interval** under subsection 2(2)(d) is 250 MW or greater and less than 1,000 MW; and (c) the maximum permissible price for an **offer** made under section 203.1 of the **ISO rules**, *Offers and Bids for Energy*, if the expected supply cushion selected for the **settlement interval** under subsection 2(2)(d) is less than 250 MW.	
5	**(4)**	Notwithstanding subsection 5(3), if a **pool participant**, for any generating **source asset** prescribed pursuant to subsection 5(1) for a **settlement interval**, has satisfied the asset-specific requirements for participation in the **ancillary services** market referred to in subsection 5(5), then the **ISO** must, set the asset-specific reference price for such generating **source asset** for the **settlement interval** as an amount equal to the maximum permissible price for an **offer** made under Section 203.1 of the **ISO rules**, *Offers and Bids for Energy*.	
5	**(5)**	The **ISO** must: (a) publish the asset-specific requirements for participation in the **ancillary services** market on the AESO website; and (b) provide 120 days' notice to **pool participants** before changing to the asset-specific requirements published in accordance with subsection 5(5)(a).	Requirements should be in authoritative documents.
		Asset-Specific Reference Price – Import Source Assets	
6	**(1)**	The **ISO** must set the asset-specific reference price for each import **source asset** for each **settlement interval** as an amount equal to: (a) $MidC(on\ peak) + min\{100, 3 * MidC(on\ peak)\}$, if the expected supply cushion selected for the **settlement interval** under subsection 2(2)(d) is 1,000 MW or greater; (b) $MidC(on\ peak) + min\{100, 6 * MidC(on\ peak)\}$, if the expected supply cushion selected for the **settlement interval** under subsection 2(2)(d) is 250 MW or	

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		greater and less than 1,000 MW; where *MidC(on peak)* is the day-ahead, on-peak price in the Mid-Columbia market for delivery on the same **day** as the energy market in Alberta; or (c) the maximum permissible price for an **offer** made under section 203.1 of the **ISO rules**, *Offers and Bids for Energy*, if the expected supply cushion selected for the **settlement interval** under subsection 2(1)(d) is less than 250 MW.	
		Asset-Specific Reference Price – Limitations and Exemptions	
7	**(1)**	Notwithstanding subsections 4, 5 and 6, the **ISO** must not set the asset-specific reference price for any **source asset** for any **settlement interval** as an amount: (a) less than $25/MWh; or (b) greater than the maximum permissible price for an **offer** made under section 203.1 of the **ISO rules**, *Offers and Bids for Energy*.	
7	**(2)**	A **pool participant** may request that the **ISO** provide a variance from any asset-specific reference price determined pursuant to subsections 4, 5, or 6.	
7	**(3)**	The **ISO** 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 **ISO** is satisfied that the **pool participant** would not be able to reasonably recover the short run marginal costs and cycling costs of the **source asset** within the scope of the asset-specific reference price determined pursuant to subsections 4, 5, or 6.	What is the process for this? Will there be any checks and balances?
		Market Power Screen	
8	**(1)**	The **ISO** must identify those **persons**, using the methodology for the calculation of market share offer control described in section 5 of the *Fair, Efficient, and Open Competition Regulation,* that have offer control over one or more **source assets** for the purposes of identifying a **person** as having market power.	
8	**(2)**	The **person** identified under subsection 8(1) may submit to the **ISO**, in the manner the **ISO** specifies, **supply obligations** in MW for each **settlement interval**, at least 2 hours prior to	

Section	Subsection	Proposed language	Stakeholder comments
		the start of the **settlement interval**, for the purposes of the expected residual supply index.	
8	**(3)**	A **person** who submits **supply obligations** in accordance with subsection 8(2) must submit a value that is equal to or less than the **person**'s actual **supply obligations**.	
8	**(4)**	The **ISO** must, for each **person** identified under subsection 8(1) and in the **offer control information** for an **operating block** in respect of a **settlement interval**, calculate a value called the expected residual supply index for each **settlement interval** for the **person** identified under subsection 8(1) as follows: (a) the expected supply from all **source assets** for the **settlement interval**; (b) minus the expected supply from all **source assets** under the offer control of a **person** identified under subsection 8(1), net of the **supply obligations** of the **person** identified under subsection 8(1), for the **settlement interval**; and (c) divided by expected demand from all **sink assets** for the **settlement interval**.	
8	**(5)**	The **ISO** must select the expected residual supply index referenced in subsection 8(1) during the 2 hours immediately prior to the **settlement interval**.	Residual supply index needs to be defined in an authoritative document.
8	**(6)**	The **ISO** must identify a **person** with a expected residual supply index of less than 1 for a given **settlement interval** as having market power in that **settlement interval**.	How?
8	**(7)**	The **ISO** 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 **settlement interval** under subsection 8(3).	
		Mitigation of Market Power	
9	**(1)**	The **ISO** must, for each **settlement interval**, identify each **operating block** associated with a **source asset** under the offer control of a **person** identified under subsection 8(4) that has an **offer** price that is greater than the asset-specific reference price of the related **source asset** which was determined pursuant to subsections 4, 5, or 6.	
9	**(2)**	Subject to subsection 9(3), the **ISO** must change the **offer** price of an **operating block** identified under subsection 9(1) to the asset-specific reference price of the associated **source asset** as determined under subsection 4, 5 or 6 if the **operating block** is:	

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		(a) controlled by a single **person** that has been identified as having market power under subsection 8(4), (b) controlled by multiple **persons** which have all been identified as having market power under subsection 8(4), or (c) declared to be inflexible in accordance with Section 203.1 of the **ISO rules**, *Offers and Bids for Energy*, and is at least partially controlled by a **person** that has been identified as having market power under subsection 8(4).	
9	**(3)**	The **ISO** must, if an **operating block** identified under subsection 9(1) is declared to be flexible under Section 203.1 of the **ISO rules**, *Offers and Bids for Energy*, and is partially, but not fully, controlled by one or more **person** identified as having market power under subsection 8(4), split the existing **operating block** into two **operating blocks** as follows: (a) create a new **operating block** that contains the quantity of the existing **operating block** that is controlled by the **person** identified as having market power under subsection 8(4) and select an **offer** price equal to the asset-specific reference price of the associated **source asset**; and (b) reduce the quantity of the existing **operating block** by the quantity of the newly created **operating block**, with no associated change made to the **offer** price of the **operating block**.	
		Timely Information from Legal Owner	
10		A **legal owner** of a **generating unit or aggregated generating facility** must, if it is not the **pool participant** for that **generating unit or aggregated generating facility**: (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 (b) provide an attestation to the **pool participant** from a corporate officer of the **legal owner** of such **generating unit or aggregated generating facility** to enable the **pool participant** to comply with its obligations under subsection 3(2)d.	Consider including an obligation to change/update attestations when the representations are no longer accurate.

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, *Energy Market Mitigation* relates to the capacity market and why or why not	
2	whether you agree that the proposed new ISO Rule – Section 203.5, *Energy Market Mitigation* should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 203.5, *Energy Market Mitigation* and whether, in your view, the proposed new ISO Rule – Section 203.5, *Energy Market Mitigation* meets the objective or purpose	
4	how, in your view, the proposed new ISO Rule – Section 203.5, *Energy Market Mitigation* affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 203.5, *Energy Market Mitigation*	
6	whether you agree with the proposed new ISO Rule – Section 203.5, *Energy Market Mitigation* taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 203.5, *Energy Market Mitigation*	
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	

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

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.