

Proposed Amended Section 304.3, *Wind and Solar Power Ramp Up Management* (“amended Section 304.3”)

Date of Request for Comment: <u>April 7, 2017</u>	Contact: <u>Jennifer Tuck</u>
Period of Comment: <u>April 7, 2017</u> through <u>May 5, 2017</u>	Phone: <u>647-789-5656</u>
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Date [yyyy/mm/dd]: <u>2017/05/05</u>	

Listed below is the summary description of changes for the proposed amended Section 304.3. Please refer back to the Letter of Notice under the “Attachments to Letter of Notice” section to view the actual proposed content changes to the ISO rules. Please place your comments/reasons for position underneath (if any).

1. ISO Rules	Market Participant Comments and/or Alternate Proposal
<p>Amended</p> <p>The AESO is seeking comments from market participants with regard to the following matters:</p> <ol style="list-style-type: none">Do you agree or disagree with the proposed Amended Section 304.3? If you disagree, please provide comments.Are there any subsections where the language does not clearly articulate the requirement for either the AESO or a market participant? If yes, please indicate the subsections and suggest language that would improve the clarity.	<p><i>Comment # 1:</i> The proposed changes to ISO Rule 304.3 sections 5(1) and 5(2) raise material concerns about the risk of wind and/or solar curtailments that will impact both existing facilities as well as facilities brought online by the REP procurement. Our understanding of the changes, based on the proposed rule language, is first that the AESO will no longer provide transparency around minimum levels for the wind power limit, and second that a limit will always be in effect at all non-exempt facilities. Given that the RESA terms do not appear to protect developers against curtailments under this rule, we are concerned that developers will be exposed to curtailment risk against an unclear rule. Second, the fact that the limit will always be in effect appears to increase the potential amount of curtailment that should be expected. This is also a concern for existing facilities because they would also be exposed to similar curtailment risk.</p> <p>A system wind power limit that is continuously in place creates higher risk of curtailment because it ignores the value of diversity in the wind fleet. It is in effect managing individual sites on the presumption that all facilities are perfectly correlated. For example, if a wind facility ramps up rapidly but another facility is ramping down at a similar rate, the net impact on the system is minimal. The current rule allows discretion and dictates that system conditions must indicate a potential inability to manage the system with the merit order prior to a directive being issued, and in the example should not result in a directive. Under the proposed rule, a limit would be in place that would limit the facility ramping up, despite the absence of an overall problem. Please</p>

	<p>confirm that this interpretation is correct, i.e. the AESO is taking a pro-active approach to limiting renewable generation even in the absence of a system condition that requires a limitation.</p> <p>The AESO could continue to rely on only sending the limit when there is an issue or the AESO could move to shorter intervals - if the intervals are 5 minutes for example the concern is extremely minimal.</p> <p>We request clarity around:</p> <ol style="list-style-type: none"> 1. The rationale for removing transparency in the rule with respect to minimum system capability 2. Guidance for expected system capability that will allow the risk of curtailment under this rule to be assessed 3. The rationale for having the system limit in place at all times and any support based on experience to date that the current approach is not sufficient to maintain reliability. 4. The expected frequency of revising the limit in the event it becomes binding on some facilities despite the lack of an overall system problem 5. Guidance on mechanisms the AESO will use to minimize the amount of renewable energy spilled with no corresponding system need <p>As written, we are concerned that the rule will result in material curtailment risk for renewable developers without a corresponding system benefit. This will impact REP pricing, reduce the carbon reduction impact of renewable investments and fail to operate the power system in an efficient manner. We request that the AESO reconsider its approach both with respect to transparency and with the approach of continuously having a limit in place.</p>
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