CMD Final Industry Stakeholder Comment Matrix

The AESO invites stakeholders to provide comments on the final Comprehensive Market Design (CMD Final). All feedback (whether it be general or specific in nature) will assist in the development of the suite of ISO rules for the implementation of the capacity market. With respect to comments provided in relation to the "Specific Feedback Questions", please note that your responses will also help to inform future consultation activities, including the topics to be discussed during upcoming stakeholder sessions expected to be planned for the end of July/early August.

Please review the instructions below and submit your feedback to capacitymarket@aeso.ca no later than 3:00 p.m. on Friday, July 20, 2018.

The AESO will post all feedback "as received" on www.aeso.ca by Wednesday, July 25, 2018. Please note that the names of the parties submitting each completed comment matrix will be included in this posting. Please also note that the AESO will not be responding to individual submissions.

Instructions

- Stakeholders are requested to provide all feedback on CMD Final within this matrix.
  - if it is believed necessary to submit additional supporting documentation, please clearly indicate which section of CMD Final or topic your document refers to. No handwritten comments will be accepted.

- Please input your name and the organization you are representing in the comment boxes provided below each CMD Final section. Your contact information is requested in each section for ease of sorting and compiling feedback from all stakeholders.
  - Press Shift + Return to enter paragraph breaks within a comment box.
  - Comment boxes will automatically expand if additional room for feedback is required.

If you have any questions about this comment matrix, please email capacitymarket@aeso.ca

CMD Final Section 3: Calculation of UCAP

GENERAL FEEDBACK QUESTIONS

1) *Please provide your feedback as to whether the design in this section meets the desired end state and criteria set out for Alberta's capacity market design?*

   (insert response here)

2) ***Which, if any, of the concepts or details discussed in this section are unclear or confusing? What should be added or clarified in the ISO rules to address this?***

For external resources, the CMD Final states that a new external asset must declare a MW volume that the external asset is willing to sell, demonstrate firm transmission in the amount of the volume declared, and declare that the capacity volume is non-recallable. The CMD final also states that the declared volume will then be "*derated to reflect the frequency of time during historical supply cushion hours that the respective intertie was out of service with 0 ATC, to determine the UCAP volume of the external asset.*"

Powerex does not understand the rational for derating the asset's declared volume. The intertie UCAP will have already taken into account 0 MW ATC hours to establish the intertie UCAP limit. By derating the external asset by 0 ATC hours, the AESO would be using a double derate on 0 ATC hours. Powerex believes the external asset derating is an unnecessary step taken by the AESO.

3) *What gaps or disconnects may exist in this section? What should be added or clarified in the ISO rules to address this?*

   (insert response here)

4) *In addition to 2) and 3) above, what other factors or information should the AESO consider as it drafts the ISO rules for this section?*

   (insert response here)

SPECIFIC FEEDBACK QUESTIONS

1) *Is the regression-based approach to determining UCAP for gross dispatched self-suppliers clear? What additional considerations or further detail may be required, to sufficiently describe this approach?*

2) ***What additional considerations or further detail may be required regarding the process for determining external resource UCAPs?***

The AESO's CMD Final outlines that the AESO will determine the BC intertie UCAP by using the minimum of the BC to Alberta import ATC and the total firm transmission service on the BC intertie for each of the 250 tightest supply cushion hours per year over the previous 5 years [min(ATC 250 hrs, firm rating)]. To determine the combined hourly capacity limit for the BC/MATL interties, the AESO will use the minimum of combined firm transmission for the BC and MATL interties, and the combined BC/MATL ATC prior to LSSi arming for each of the 250 tightest supply cushion hours per year for the past five years. The capacity limit of the BC/MATL interties will then be calculated by averaging the hour capacity limits for the BC/MATL intertie.

Powerex believes that the AESO's planned intertie UCAP methodology mis-represents an intertie's capability by artificially constraining the intertie ATC to the firm rating over the 1250 hours to reduce the average rating. There are many hours in which the BC intertie exceeds the intertie's firm rating.
Powerex believes that the AESO's intertie methodology should average the specific intertie's (BC, MATL and SASK) ATC during the tightest 250 hours per year over previous 5-years. This should then be compared to that intertie's firm rating. The lower of the two would be used to determine the total intertie's UCAP.
This methodology would incorporate all 0MW ATC hours, demonstrating the true average ATC of the intertie during the tightest 250 hours per year over the previous five years.

Should the AESO maintain its proposed intertie UCAP methodology [min(ATC 250 hrs, firm rating)], Powerex requests that the AESO use the firm rating of the BC intertie to the Alberta border that incorporates the full firm rights that have been sold. The BC intertie holds a total firm value of 690MW (480MW of firm capacity and 210MW of conditional firm). Conditional firm is a form of long-term firm transmission service. The MATL intertie and the Sask intertie have their own policies regarding how much firm capacity they sell. MATL sells 100% of its TTC-TRM as firm, while SASK sells much lower than that. Firm on one intertie might be more or less firm or reliable than a different intertie. If BCHydro used the same method as MATL has done to set the amount of firm transmission it sells, the BC intertie would have a firm rating of at least 795MW. BCHydro has only sold 690MW, of which 210 is conditional firm.

3) *What additional considerations or further detail may be required regarding the UCAP refinement process?*

4) *Should the list of events under which a refinement request can be submitted as provided in section 3.2.2.a.i be further defined? If so, please provide your suggestions.*

ADDITIONAL COMMENTS

Please add any additional comments you may have on this section here.

(insert response here)

Name: Clarke Lind **Organization: Powerex**

CMD Final Section 8: Supply obligations and performance assessments

GENERAL FEEDBACK QUESTIONS

1) *Please provide your feedback as to whether the design in this section meets the desired end state and criteria set out for Alberta's capacity market design?*

   (insert response here)

2) *Which, if any, of the concepts or details discussed in this section are unclear or confusing? What should be added or clarified in the ISO rules to address this?*

   (insert response here)

3) *What gaps or disconnects may exist in this section? What should be added or clarified in the ISO rules to address this?*

   (insert response here)

4) *In addition to 2) and 3) above, what other factors or information should the AESO consider as it drafts the ISO rules for this section?*

   (insert response here)

SPECIFIC FEEDBACK QUESTIONS

1) *What additional considerations or further detail may be required regarding how the AESO will assess whether demand response assets have obtained a sufficient load volume prior to the second rebalancing auction?*

2) What additional considerations or further detail may be required regarding how the performance of external capacity assets will be measured during availability and delivery assessment periods?

Planned intertie maintenance often occurs coincidentally. Powerex is unclear on coincident intertie maintenance and the implications for availability and delivery assessment periods.

Powerex is of the impression that if an external balancing authority, which hosts a capacity commitment, takes its intertie down for maintenance then the capacity supplier within that external BA would be vulnerable to availability and delivery assessments. Meanwhile, transmission outages along the Alberta side of the border would result in the AESO waiving availability and delivery assessments for external suppliers that have a capacity commitment that are impacted by the outage.

How will the AESO assess availability and delivery periods if both the external BA and the AESO decide to coincidentally take the transmission path down for maintenance?

Powerex seeks clarification on this topic as the practice of having overlapping maintenance periods is efficient and should continue.

3) *Should the list of events under which availability and delivery assessments will not be conducted as provided in section 8.2.39 be further defined? If so, please provide your suggestions.*

ADDITIONAL COMMENTS

Please add any additional comments you may have on this section here.

(insert response here)

CMD Final Section 8: Supply obligations and performance assessments

Name: Clarke Lind **Organization: Powerex**