

<b>Period of Comment:</b> October 14, 2020 through October 29, 2020	<b>Contact:</b> Kris Aksomitis
<b>Comments From:</b> Cogeneration Working Group	<b>Phone:</b> 587-894-7150
<b>Date:</b> 2020-10-29	<b>Email:</b> kaksomitis@poweradvisoryllc.com

Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the Consultation Letter under the “Attachments” section to view materials related to the development of amendments to Section 306.7 of the ISO rules, *Mothball Outage Reporting* (the “Mothball rule”).
3. Please respond to the questions below and provide your specific comments (if any). Blank boxes will be interpreted as favourable comments.

***The AESO is seeking comments from Stakeholders on the development of amendments to the Mothball rule with regard to the following matters:***

	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
1.	<p>Do you agree or disagree that the issues identified require the development of an amended Mothball rule and a review of the broader framework for removing generating capacity from the market? Please comment.</p>	<p>The CWG broadly agrees that the issues identified require clarification and that the framework for removing capacity from the market lacks transparency. However, the CWG is not aware of a pressing issue at this time.</p> <p>The high-level question that must be resolved is: “What rights does the AESO have with respect to capacity, particularly given that the Alberta government has committed to the energy only market?”</p> <p>Clarification around specific elements of the mothball framework would be beneficial, including:</p> <ul style="list-style-type: none"> <li>• What is the rationale for limiting mothball outages to 2 years? Further, what is the criteria for extending an outage beyond this limit as has occurred for several units.</li> <li>• Three-month notice for taking and returning from a mothball outage is arbitrary and inconsistent with market rules for other types of outages. Timing of mothball outages should be considered to ensure incentives are appropriate and the rule supports the competitive market.</li> <li>• The definition of ‘economic’ should be carefully considered to ensure asset owners retain the full flexibility to manage their assets, both in terms of taking mothball outages as well as bringing a unit back from an outage.</li> <li>• The relationship between maintenance outages, life extension outages, re-powering outages, long lead time and mothball outages should be considered.</li> <li>• Transparency for other market participants should be ensured through the rule.</li> </ul> <p>In general, the mothball outage rule should provide maximum flexibility for asset owners to manage their assets without creating barriers to entry for new assets. This may require consideration of STS contract capacity, though the CWG’s interpretation of Alberta transmission policy is that a mothballed unit would not ‘block’ the development of a new asset. Rather, the AESO would need to consider the implications of mothball units in the planning framework.</p>

	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
2.	Do you agree or disagree with the potential objectives or purpose of the review of the Mothball rule and a review of the broader framework for removing generating capacity from the market? Please comment.	Retirement of assets should remain entirely out of scope. Retirement decisions must remain the sole discretion of owners.
3.	Do you agree or disagree with the proposed form of consultation? Please comment.	The framework is acceptable.
4.	Do you intend to participate in any related consultation? <b>OR</b> Do you agree that no consultation group is required for this rule development? Please comment.	The CWG suggests that the mothball outage framework is low priority at this time, but to the extent changes are pursued the CWG will participate. Changes have the potential to significantly impact the business environment for cogeneration facilities.
5.	Do you agree or disagree that the development of proposed amendments to the Mothball rule should proceed at this time?	As noted, clarity for mothball outages and other outages is beneficial but not currently a priority.
6.	Do you have any additional comments?	