

Proposed New ISO rule –Section 201.13, Capacity Market Clearing

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|---------------------------|-------------------------------|---------|-------------------|-----------------|--------------------------------|
| Period of Comment: | October 26, 2018 | through | November 14, 2018 | Contact: | Mark Thompson |
| Comments From: | TransCanada Energy Ltd. (TCE) | | | Phone: | 403-920-5005 |
| Date [yyyy/mm/dd]: | 2018/11/14 | | | Email: | markj_thompson@transcanada.com |

Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.

| Blackline of Suggested Rule Wording | Rationale |
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| (3) The ISO may, in the event that the ISO determines that the methodology for determining the transfer path limits in subsection 3(2) is no longer representative, apply an alternative methodology. | TCE strongly encourages the AESO to remove section 3(3) of this proposed rule. This section was recently added with no justification provided by the AESO. Frankly, there is no justification that could support language that attempts to circumvent AUC Rule 017 and the Alberta Utility Commission’s jurisdiction to approve amendments to ISO Rules and authoritative documents. |
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| Blackline of Suggested Rule Wording | Rationale |
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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 Section 201.13, <i>Capacity Market Clearing</i> relates to the capacity market and why or why not | |
| 2 | whether you agree that Section 201.13, <i>Capacity Market Clearing</i> 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 Section 201.13, <i>Capacity Market Clearing</i> and whether, in your view, Section 201.13, <i>Capacity Market Clearing</i> meets the objective or purpose | |
| 4 | how, in your view, Section 201.13, <i>Capacity Market Clearing</i> affects the performance of the capacity market and the electricity market | |
| 5 | your views on any analysis conducted or commissioned by the AESO supporting Section 201.13, <i>Capacity Market Clearing</i> | |
| 6 | whether you agree with Section 201.13, <i>Capacity Market Clearing</i> 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 Section 201.13, <i>Capacity Market Clearing</i> | |
| 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 | |
| 10 | whether you have any additional comments | |

Proposed New ISO rule –Section 206.1, *Qualification of Capacity*

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Please include any suggestions for alternative rule wording and accompanying rationale in the table below. Cut and paste the existing rule wording into column one below and track in your changes.

| Blackline of Suggested Rule Wording | Rationale |
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| | <p>The term “import asset” is used on several occasions within this proposed rule. TCE notes that this term has never been explicitly defined within the AESO’s Consolidated Authoritative Document Glossary and is not included as one of the AESO’s new terms. Nevertheless, the term “pool asset” is defined as:</p> <p style="padding-left: 40px;">one (1) or more generating units, aggregated generating facilities, load assets, import assets or export assets, identified by a single pool ID the ISO assigns, and registered to a pool participant.</p> <p>TCE interprets this to mean that an import-related asset with a single pool ID registered to a pool participant is an import asset. Historically, these import assets have not been tied to a specific generation source or system, but rather with the intertie that connects to the AIES. Accordingly, TCE expects that the use of this term in the proposed rule will be consistent with TCE’s interpretation of the meaning of, and the historical use of, “import asset”. TCE seeks the AESO’s confirmation that this is indeed the case. If this is not the case, TCE requests that the AESO provide a new definition of this term and rationale for the different treatment.</p> |
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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 Section 206.1, <i>Qualification of Capacity</i> relates to the capacity market and why or why not | |
| 2 | whether you agree that Section 206.1, <i>Qualification of Capacity</i> 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 Section 206.1, <i>Qualification of Capacity</i> and whether, in your view, Section 206.1, <i>Qualification of Capacity</i> meets the objective or purpose | |
| 4 | how, in your view, Section 206.1, <i>Qualification of Capacity</i> affects the performance of the capacity market and the electricity market | |
| 5 | your views on any analysis conducted or commissioned by the AESO supporting Section 206.1, <i>Qualification of Capacity</i> | |
| 6 | whether you agree with Section 206.1, <i>Qualification of Capacity</i> 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 Section 206.1, <i>Qualification of Capacity</i> | |
| 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 |
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| 9 | whether you agree that the proposed provisional rule supports the public interest and why or why not | |
| 10 | whether you have any additional comments | |

Proposed New ISO rule –Section 206.2, Self-Supply Configurations

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| Date [yyyy/mm/dd]: | 2018/11/14 | | | Email: | markj_thompson@transcanada.com |

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| | <p>TCE appreciates the removal of the terms from the prior version of this rule that would have required a behind-the-fence site to maintain its self-supply configuration for a lengthy period of time. This change will permit industrial operations to maintain much needed operational flexibility.</p> <p>The proposed rule clarifies that if the electric energy produced by an onsite generating unit can flow to the load asset without being measured and recorded at a measurement point, the legal owner of a load asset <u>must</u> self-supply capacity. Similarly, if these criteria are met, the AESO <u>must</u> approve an application to self-supply. However, the proposed rule is ambiguous as to whether the legal owner of a load asset <u>may</u> self-supply or whether the AESO <u>may</u> approve an application to self-supply if these criteria are not met. TCE is concerned that the AESO may not approve applications to self-supply from sites where the electric energy flowing to the load asset is measured and recorded.</p> <p>TCE submits that it is necessary for behind-the-fence sites to be able to participate on a net-to-grid basis even if the electric energy flowing to the load asset is measured and recorded in order to: (i) maintain operational flexibility; and (ii) not frustrate existing contracts between onsite generation and the industrial host. As such, TCE recommends that the AESO amend the proposed rule to account for the reasonable circumstances by which the legal owner of a load asset may choose whether or not to self-supply.</p> |
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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 Section 206.2, <i>Self-Supply Configurations</i> relates to the capacity market and why or why not | |
| 2 | whether you agree that Section 206.2, <i>Self-Supply Configurations</i> 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 Section 206.2, <i>Self-Supply Configurations</i> and whether, in your view, Section 206.2, <i>Self-Supply Configurations</i> meets the objective or purpose | |
| 4 | how, in your view, Section 206.2, <i>Self-Supply Configurations</i> affects the performance of the capacity market and the electricity market | |
| 5 | your views on any analysis conducted or commissioned by the AESO supporting Section 206.2, <i>Self-Supply Configurations</i> | |
| 6 | whether you agree with Section 206.2, <i>Self-Supply Configurations</i> 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 Section 206.2, <i>Self-Supply Configurations</i> | |
| 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 | |
| 10 | whether you have any additional comments | |

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

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| | <p>The term “import asset” is used on several occasions within this proposed rule. TCE notes that this term has never been explicitly defined within the AESO’s Consolidated Authoritative Document Glossary and is not included as one of the AESO’s new terms. Nevertheless, the term “pool asset” is defined as:</p> <p style="padding-left: 40px;">one (1) or more generating units, aggregated generating facilities, load assets, import assets or export assets, identified by a single pool ID the ISO assigns, and registered to a pool participant.</p> <p>TCE interprets this to mean that an import-related asset with a single pool ID registered to a pool participant is an import asset. Historically, these import assets have not been tied to a specific generation source or system, but rather with the intertie that connects to the AIES. Accordingly, TCE expects that the use of this term in the proposed rule will be consistent with TCE’s interpretation of the meaning of, and the historical use of, “import asset”. TCE seeks the AESO’s confirmation that this is indeed the case. If this is not the case, TCE requests that the AESO provide a new definition of this term and rationale for the different treatment.</p> |
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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 Section 206.3, <i>Uniform Capacity Value Determination</i> relates to the capacity market and why or why not | |
| 2 | whether you agree that Section 206.3, <i>Uniform Capacity Value Determination</i> should or should not be in effect for a fixed term and why or why not | |
| 3 | whether you understand and agree with the objective or purpose of Section 206.3, <i>Uniform Capacity Value Determination</i> and whether, in your view, Section 206.3, <i>Uniform Capacity Value Determination</i> meets the objective or purpose | |
| 4 | how, in your view, Section 206.3, <i>Uniform Capacity Value Determination</i> affects the performance of the capacity market and the electricity market | |
| 5 | your views on any analysis conducted or commissioned by the AESO supporting Section 206.3, <i>Uniform Capacity Value Determination</i> | |
| 6 | whether you agree with Section 206.3, <i>Uniform Capacity Value Determination</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market | |
| 7 | whether you would suggest any alternatives to Section 206.3, <i>Uniform Capacity Value Determination</i> | |

| Item # | | Stakeholder comments |
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| 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 | |
| 10 | whether you have any additional comments | |

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

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|--|---|
| <p>Availability Assessment</p> <p>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:</p> <p>(f) for an import asset, availability volume is the available capability for that settlement interval capped at the volume of long term firm transmission capacity for the asset subject to a capacity commitment.</p> | <p>TCE submits that the AESO must be careful to ensure equal treatment of all electric energy. TCE understands that for other source assets, the AESO counts all of the available capability for that asset. TCE submits that such treatment must be provided to all source assets.</p> |
| <p>Delivery Assessments:</p> <p>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 each of the delivery hours as follows:</p> <p>(e) for an import asset, delivery volume is the lesser of:</p> <p>(i) the long term firm transmission capacity associated with the import asset; or</p> <p>(ii) the sum of:</p> <p>(a) The volume in a valid e-tags;</p> <p>where the offer price is greater than or equal to \$0.01/ MWh and the asset is subject to the limits referenced in Section 303.2 of the ISO rules, <i>Available Transfer Capability</i>, the volume in</p> | <p>TCE submits that the AESO must be careful to ensure equal treatment of all electric energy. TCE understands that for other source assets, the AESO counts all of the volume that asset delivered to the grid. TCE submits that such treatment must be provided to all source assets.</p> |

| Blackline of Suggested Rule Wording | Rationale |
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| the offer during the first 2 delivery hours where the asset is subject to the limits. | |
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| 1 | whether you agree that Section 206.8, <i>Obligation Period Performance Assessments</i> relates to the capacity market and why or why not | |
| 2 | whether you agree that Section 206.8, <i>Obligation Period Performance Assessments</i> 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 Section 206.8, <i>Obligation Period Performance Assessments</i> and whether, in your view, Section 206.8, <i>Obligation Period Performance Assessments</i> meets the objective or purpose | |
| 4 | how, in your view, Section 206.8, <i>Obligation Period Performance Assessments</i> affects the performance of the capacity market and the electricity market | |
| 5 | your views on any analysis conducted or commissioned by the AESO supporting Section 206.8, <i>Obligation Period Performance Assessments</i> | |
| 6 | whether you agree with Section 206.8, <i>Obligation Period Performance Assessments</i> 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 Section 206.8, <i>Obligation Period Performance Assessments</i> | |

| Item # | | Stakeholder comments |
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| 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 | |
| 10 | whether you have any additional comments | |