

Market Participant Comment Matrix – April 16, 2018

Amendments to “acceptable operational reason” Definition



Date of Request for Comment: <u>April 16, 2018</u>	Contact: <u>Mark Thompson</u>
Period of Comment: <u>April 16, 2018</u> through <u>May 2, 2018</u>	Phone: <u>403-589-7193</u>
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Date [yyyy/mm/dd]: <u>2018/05/02</u>	

Listed below is the summary description of changes for the proposed amended “acceptable operational reason” definition. Please place your comments/reasons for position underneath (if any).

Definitions – Amended			
Existing	Proposed	Current ISO Rules that contain definition	Market Participant Comments and/or Alternate Proposal
<p>“acceptable operational reason” means, any one (1) or more of the following:</p> <ul style="list-style-type: none"> (i) a circumstance related to the operation of a generating source asset which if it operated could reasonably be expected to affect the safety of the source asset, the environment, personnel working at the source asset or the public; (ii) re-positioning a generating source asset assets, within the energy market due to the need to meet a dispatch given to that source asset from the ISO to serve the stand-by operating reserves market; (iii) re-positioning a generating source asset within the energy 	<p>“acceptable operational reason” means, any one (1) or more of the following:</p> <ul style="list-style-type: none"> (i) a circumstance related to the operation of a generating source asset which if it operated could reasonably be expected to affect the safety of the source asset, the environment, personnel working at the source asset or the public; (ii) re-positioning a generating source asset assets, within the energy market due to the need to meet a dispatch given to that source asset from the ISO to serve the stand-by operating reserves market; (iii) re-positioning a generating source asset within the energy 	<p>Section 201.4, <i>Submission Methods and Coordination of Submissions</i>;</p> <p>Section 202.4, <i>Managing Long Lead Time Assets</i>;</p> <p>Section 203.1, <i>Offers and Bids for Energy</i>;</p> <p>Section 203.3, <i>Energy Restatements</i>;</p> <p>Section 203.6; <i>Available Transfer Capability and Transfer Path Management</i>; and</p> <p>Section 204.3, <i>Dispatch Down Service Restatements</i></p>	<p>Comment # 1:</p> <p><i>TCE appreciates the opportunity to comment on the AESO's proposed changes. TCE has significant concerns with the appropriateness of the AESO's proposed addition of vii(b) regarding a transmission outage. This proposed change would cause an immediate impact to a generator's refund of its Generating Unit Owner's Contribution (GUOC) and a future impact to a generator's performance assessment and unforced capacity (UCAP) determination under the capacity market. For the following reasons, TCE does not support the AESO's proposal to include a transmission outage that causes the transmission system to become disconnected from a source asset as an acceptable operational reason (AOR).</i></p> <p><i>TCE submits that the AESO's wording in vii(b), which refers to a transmission outage that causes a source asset to become disconnected from the transmission system, is contextually misleading. When caused by a transmission outage, it is the transmission system that has disconnected from the source asset, not the other way around. Conversely, if the generator caused the disconnection, then the source asset would have disconnected from the transmission system. A distinction based on causation should guide the determination of an AOR and is consistent with</i></p>

<p>market to manage physical or operational constraints associated with the source asset;</p> <p>(iv) re-positioning a pool asset that is an import asset or an export asset within the energy market to manage physical or operational constraints associated with an interconnection or a neighbouring balancing authority;</p> <p>(v) a circumstance directly resulting in the generating source asset not being capable of operation, which circumstance was solely caused by an occurrence of force majeure; or</p> <p>(vi) re-positioning a generating source asset for electric energy that is:</p> <p>a) produced on the property of which a person is the owner or a tenant; and</p> <p>b) consumed solely by that person and solely on that property.</p>	<p>market to manage physical or operational constraints associated with the source asset;</p> <p>(iv) re-positioning a pool asset that is an import asset or an export asset within the energy market to manage physical or operational constraints associated with an interconnection or a neighbouring balancing authority;</p> <p>(v) a circumstance directly resulting in the generating source asset not being capable of operation, which circumstance was solely caused by an occurrence of force majeure; or</p> <p>(vi) re-positioning a generating source asset for electric energy that is:</p> <p>a) produced on the property of which a person is the owner or a tenant; and</p> <p>b) consumed solely by that person and solely on that property; or</p> <p>(vii) re-positioning a generating source asset within the energy market in response to:</p> <p>a) a distribution constraint that causes a limitation to the normal economic merit operation of the source asset, or to the flow of electrical energy from the source asset from one part of the electric distribution system to the other; or</p>		<p><i>just and reasonable rates and the FEOC principles. This distinction is also consistent with the other AORs, which are limited to circumstances internal to, or under the control of, the generator, not circumstances arising from the transmission system.</i></p> <p><i>For the above reasons, TCE submits that an outage on the transmission system that causes the transmission system to become disconnected from a source asset does not impact the maximum MWs that a source asset is physical capable of providing. Rather, a transmission outage impacts the MWs that the transmission system is capable of receiving. As such, a transmission outage does not affect the Available Capability of a source asset as defined in the Consolidated Authoritative Document Glossary and the proposed addition of vii(b) should not be considered an AOR.</i></p> <p><i>Further, it is not in the spirit of just and reasonable rates or the FEOC principles to penalize a market participant for a transmission outage it did not cause. In this case, the impacts to a market participant would be patently unfair. Not only would the market participant suffer lost revenue, as is the case currently, but the proposed changes could reduce its: (i) GUOC refund; (ii) performance assessment under the capacity market; and (iii) UCAP. The latter of which would have an enduring effect for 5 years.</i></p> <p><i>The AESO has not indicated its rationale for the proposed change. TCE requests that the AESO provide such rationale as it would allow market participant to provide alternatives to address the AESO's concern that prompted the proposed changes.</i></p> <p><i>TCE has considered the possibility that the AESO's rationale may stem from its view that a transmission outage that causes the transmission system to disconnect from a source asset is under a generator's control due to the generator's choice of connection (some connection alternatives may provide greater reliability than others). Should this be the case, TCE respectfully disagrees that in this case a transmission outage should be considered under the control of the generator.</i></p> <p><i>First, the disconnection would not have occurred without the preceding transmission outage. Second, while different connection alternatives may reduce the likelihood of disconnection, each generator's connection is approved by the AESO and meets the requisite Alberta Reliability Standards. In other words, a generator with a less reliable connection has</i></p>
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	<p>b) a transmission outage that results in the source asset being electrically disconnected from the transmission system.</p>		<p>done nothing wrong and is operating in accordance with good utility practice. A generator should not be punished for not going above and beyond good utility practice in order to protect itself from the transmission system operated by the AESO.</p> <p>Consider an analogy in which a basement tenant must vacate their apartment for 2 days due to flooding caused by them overflowing their bathtub. The proposed addition of vii(b) is akin to the tenant then demanding the landlord refund a pro-rata portion of the rent paid to compensate for the 2 days in which they had to vacate the premises and to reduce the rent for the following 5 years because the landlord did not install a sump pump, which was not required by either legislation or rental agreement. TCE submits that such an outcome would be unfair and unreasonable.</p> <p>TCE sympathizes with the notion that the AESO may attach higher value to the capacity of a source asset with a stronger connection to the transmission system. However, the appropriate treatment in this situation ought to be to reward the asset with the stronger connection, not to punish the asset that is meeting all of its requirements.</p> <p>TCE recommends the AESO hold a stakeholder session so that parties can better understand the issue the AESO is intending to address and discuss alternatives.</p>
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