

Market Participant Comment Matrix – April 7, 2017

Proposed Amended Section 202.5, *Supply Surplus* (“amended Section 202.5”)



Date of Request for Comment: <u>April 7, 2017</u>	Contact: <u>Peter Bubik</u>
Period of Comment: <u>April 7, 2017</u> through <u>May 5, 2017</u>	Phone: <u>403-703-1676</u>
Comments From: <u>Turning Point Generation</u>	Email: <u>peterbubik@turningpointgeneration.ca</u>
Date [yyyy/mm/dd]: <u>2017-05-17</u>	

Listed below is the summary description of changes for the proposed amended Section 202.5. 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
Amended The AESO is seeking comments from market participants with regard to the following matters: 1. Do you agree or disagree with the proposed amended Section 202.5? If you disagree, please provide comments. 2. 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.	<i>Comment # 1: Turning Point Generation requests that the ISO considers allowing negative pricing on the system. Allowing price of power to be less than \$0 is more fair, efficient and openly competitive system than creating an artificial limit at \$0. Here is why:</i> Fair: <i>It is not fair that a government agency decides who gets to stay connected and who drops off and for what reasons. There may be a number of reasons why a facility would want to remain on line even below \$0 and these reasons are not reflected in the current wording of rule 202.5. It would be fair if the market decides who gets to stay on line and who will drop off.</i> Efficient: <i>Allowing for negative pricing will encourage more energy storage facilities on the market – especially as renewables penetration increases. Rather than wasting the energy (by turning off wind and solar during \$0 offers) negative pricing will encourage the market to store the renewable energy for peak time use, thus making the whole system more energy efficient as well as environmentally responsible. Furthermore, negative pricing will encourage more load to be scheduled in off-peak times, again making the system more energy efficient.</i> Openly Competitive: <i>The decision which units stay on during supply surplus situation and which units should drop off should be left to the market – not a selection by a government agency (ISO). Allowing negative pricing will accomplish this as evidenced by experience in many other jurisdictions – some even within WECC.</i> <i>Supply Surplus should be then defined by dispatch forecast and technical indicators (system frequency) as opposed to by an arbitrarily set price of \$0. Should surplus continue to the point of over-frequency ISO should contract for ancillary services (ensure that some of the frequency regulation is supplied by load, not just generation) to manage the situation. Only once all other avenues were exhausted should ISO be allowed to curtail generation to maintain system stability.</i> <i>Rule 202.5 needs to be re-written from the perspective of negative pricing and should be brought in line with ISO’s mandate of fair, efficient and openly competitive system.</i>