

## Proposed New ISO Rule – Section 103.9, *Capacity Market Financial Settlement*

**Period of Comment:** September 7, 2018 through September 28, 2018

**Comments From:** Utilities Consumer Advocate

**Date [yyyy/mm/dd]:** 2018/09/28

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**Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.**

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 103.9 applies to: (a) a <b>capacity market participant</b> ; and (b) the <b>ISO</b> .	
		<b>Requirements</b> <b>Currency</b>	
2		The <b>ISO</b> must determine all payments, charges, amounts and calculations under this section 103.9 in Canadian dollars.	
		<b>Adjusted Capacity Payment Amount</b>	
3		The <b>ISO</b> must, for each <b>settlement period</b> in an <b>obligation period</b> for each asset for which the ISO has determined that payments, charges, amounts or calculations pursuant to subsection 2 apply, calculate an adjusted capacity payment amount equal to the sum of the following: (a) the capacity payment, calculated in accordance with Section 103.10 of the <b>ISO rules</b> , <i>Capacity Payment Calculation</i> , subject to subsection 6;	

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		<p>(b) any uplift payment;</p> <p>(c) for each delivery assessment hour in such <b>settlement period</b>, any under-delivery adjustment or over-delivery adjustment, as applicable;</p> <p>(d) where that <b>settlement period</b> is the last <b>settlement period</b> in the <b>obligation period</b>, any under-availability adjustment or over-availability adjustment for the <b>obligation period</b>, as applicable, subject to subsection 7;</p> <p>(e) any adjustments to the items in subsection 3(1)(c) or subsection 3(1)(d) relating to any of the prior <b>settlement periods</b> referenced in subsection 7;</p> <p>(f) any adjustments relating to the resolution of any disputes referenced in subsections 15 or 17; and</p> <p>(g) the payment adjustment balance for the previous <b>settlement period</b>, whether or not the previous <b>settlement period</b> is in the current <b>obligation period</b> or is the last <b>settlement period</b> of the previous <b>obligation period</b>, or where the relevant <b>settlement period</b> is the first <b>settlement period</b> for that asset, \$0;</p> <p>where:</p> <p>“delivery assessment hour” means any <b>settlement interval</b> or portion thereof that is subject to an energy emergency alert;</p> <p>“over-availability adjustment” means an amount calculated pursuant to Section 206.8 of the <b>ISO rules</b>, <i>Obligation Period Performance Assessments</i> with respect to the over-availability of an asset subject to a <b>capacity commitment</b> during any <b>obligation period</b>;</p> <p>“over-delivery adjustment” means an amount calculated pursuant to Section 206.8 of the <b>ISO rules</b>, <i>Obligation Period Performance Assessments</i> with respect to the over-delivery by an asset subject to a <b>capacity commitment</b> during a delivery assessment hour;</p> <p>“payment adjustment balance” means an amount calculated pursuant to subsection 4(1) with respect to any portion of the adjusted capacity payment amount determined pursuant to subsection 3 for a <b>settlement period</b> that is not cash settled in respect of such <b>settlement period</b> but is instead recorded by the <b>ISO</b> as either an amount owing by the <b>ISO</b> to the <b>capacity market participant</b> or owing by the <b>capacity market participant</b> to the <b>ISO</b>;</p> <p>“under-availability adjustment” means an amount calculated pursuant to Section 206.8 of the <b>ISO rules</b>, <i>Obligation Period Performance Assessments</i>;</p>	

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		<p>“under-delivery adjustment” means an amount calculated pursuant to Section 206.8 of the <b>ISO rules</b>, <i>Obligation Period Performance Assessments</i>; and</p> <p>“uplift payment” means any payment determined in accordance with Section 201.13 of the <b>ISO rules</b>, <i>Capacity Market Clearing</i> if the <b>ISO</b> clears the <b>offer</b> for an asset at a price greater than the clearing price.</p>	
		<b>Net Capacity Payment</b>	
4	(1)	<p>The <b>ISO</b> must, for each <b>settlement period</b> in an <b>obligation period</b> for each asset subject to a <b>capacity commitment</b> and a positive capacity payment amount calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>, pay the <b>capacity market participant</b> an amount equal to the following:</p> <p>(a) if the adjusted capacity payment amount determined pursuant to subsection 3 is less than or equal to 0, then the payment is \$0; in which case the payment adjustment balance for the <b>settlement period</b> is equal to the adjusted capacity payment amount;</p> <p>(b) if the adjusted capacity payment amount determined pursuant to subsection 3 is greater than 0 but less than or equal to two times the capacity payment, calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>, then the payment is equal to the adjusted capacity payment amount; in which case the payment adjustment balance for the <b>settlement period</b> is equal to \$0; and</p> <p>(c) if the adjusted capacity payment amount determined pursuant to subsection 3 is greater than two times the capacity payment, calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>, then the payment is an amount equal to two times the capacity payment; in which case the payment adjustment balance for the <b>settlement period</b> is equal to that adjusted capacity payment amount less the amount of the payment.</p>	
4	(2)	<p>A <b>capacity market participant</b> must, for each <b>settlement period</b> in an <b>obligation period</b> for each asset subject to a <b>capacity commitment</b> and a negative capacity payment amount calculated in accordance with Section 103.10 of the <b>ISO rules</b>, <i>Capacity Payment Calculation</i>, pay the <b>ISO</b> an amount equal the adjusted capacity payment amount determined pursuant to subsection 3, if that amount is negative.</p>	
4	(3)	<p>The <b>ISO</b> must, for each <b>settlement period</b> in an <b>obligation period</b> for each asset subject to a <b>capacity commitment</b> and a negative capacity payment amount calculated in</p>	

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		accordance with Section 103.10 of the <b>ISO rules</b> , <i>Capacity Payment Calculation</i> , pay the <b>capacity market participant</b> an amount, subject to the limitation in subsection 7(1), equal to the adjusted capacity payment amount determined pursuant to subsection 3, if that amount is positive.	
		<b>Payment Adjustment Balance</b>	
5	(1)	Subject to subsection 5(2) and subsection 5(3), the <b>ISO</b> must pay the amount of any payment adjustment balance for a <b>settlement period</b> only in accordance with subsection 3, including where such <b>settlement period</b> is the first <b>settlement period</b> in the subsequent <b>obligation period</b> .	
5	(2)	Notwithstanding subsection 5(1), the <b>ISO</b> must, if an asset has a negative payment adjustment balance and will receive a <b>capacity payment</b> for the subsequent <b>obligation period</b> that is lower than the <b>capacity payment</b> for the current <b>obligation period</b> , adjust the payment adjustment balance for that asset by an amount equal to:  the lesser of the difference between the <b>capacity payment</b> for the current <b>obligation period</b> and the <b>capacity payment</b> for the subsequent <b>obligation period</b> divided by the <b>capacity payment</b> for the current <b>obligation period</b> , or 1,  multiplied by the absolute value of the payment adjustment balance that has accrued with respect to such asset.	
5	(3)	Notwithstanding subsection 5(1), if, at the end of an <b>obligation period</b> , an asset has a positive payment adjustment balance and is no longer subject to a <b>capacity commitment</b> in the next <b>obligation period</b> , the <b>ISO</b> must pay the payment adjustment balance to the <b>capacity market participant</b> over a number of <b>settlement periods</b> such that the payment for each settlement period is:  (a) equal to or less than two times the amount of the previous capacity payment for that asset from the prior <b>obligation period</b> , calculated in accordance with Section 103.10 of the <b>ISO rules</b> , <i>Capacity Payment Calculation</i> ; and  (b) subject to the limitation in subsection 7(1).	
5	(4)	The <b>capacity market participant</b> must pay the amount identified in subsection 5(2) over a number of <b>settlement periods</b> such that the payment for each <b>settlement period</b> is equal to the amount of the previous capacity payment for that asset from the prior <b>obligation</b>	

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		<b>period</b> , calculated in accordance with Section 103.10 of the <b>ISO rules</b> , <i>Capacity Payment Calculation</i> .	
5	(5)	A <b>capacity market participant</b> may submit a request to pay all or a portion of an existing negative payment adjustment balance of an asset.	
5	(6)	The <b>ISO</b> must, after receiving a request pursuant to subsection 5(5), issue a statement to the <b>capacity market participant</b> in the amount requested and adjust the payment adjustment balance to reflect the payment.	
		<b>New Capacity Asset – Failure to Achieve Energization and Commissioning</b>	
6	(1)	The <b>ISO</b> must, if a <b>capacity market participant</b> has not achieved energization and commissioning in respect of an asset with a <b>capacity commitment</b> before the start of the <b>obligation period</b> , withhold all payments calculated in accordance with subsection 3 for that asset, subject to the following: <ul style="list-style-type: none"> <li>(a) withhold from the <b>capacity market participant</b> all <b>capacity payments</b> for <b>settlement periods</b> prior to and including the <b>settlement period</b> during which energization and <b>commissioning</b> is achieved until availability assessments for the <b>obligation period</b> are performed; and</li> <li>(b) if energization and <b>commissioning</b> is achieved during such <b>obligation period</b>, pay to the <b>capacity market participant</b> all <b>capacity payments</b> less an existing negative payment adjustment balance that has been withheld from the <b>capacity market participant</b> on the <b>settlement date</b> for the last <b>settlement period</b> for the <b>obligation period</b> in which energization and <b>commissioning</b> is achieved.</li> </ul>	
		<b>Over-Availability Adjustments and Over-Delivery Adjustments</b>	
7	(1)	The <b>ISO</b> must only make payments to the <b>capacity market participants</b> for over-availability adjustments and over-delivery adjustments from funds wholly collected by the <b>ISO</b> for under-availability adjustments and under-delivery adjustments, respectively.	
7	(2)	The <b>ISO</b> must, if any amounts from under-availability adjustments or under-delivery adjustments remain with the <b>ISO</b> after funding the over-availability adjustments and over-delivery adjustments payable to <b>capacity market participants</b> in accordance with	The UCA recommends that the ISO use any remaining adjustments funds to offset capacity market costs after each settlement period. There must be a time limit or a financial threshold that triggers the ISO to use the funds to offset costs and not simply

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		subsection 7(1), use such remaining amounts to offset capacity market costs incurred by the <b>ISO</b> to procure <b>capacity</b> .	allow the funds to accumulate indefinitely.
		<b>Post Final Adjustments</b>	
8		The <b>ISO</b> must not make post final adjustments to any capacity market statement or calculation in relation to any post final adjustments made pursuant to Section 103.4 of the <b>ISO rules</b> , <i>Power Pool Financial Settlement</i> .	
		<b>Preliminary Capacity Market Statement</b>	
9	(1)	The <b>ISO</b> must, no later than the close of business on the 5 <sup>th</sup> <b>business day</b> after the last day of each <b>settlement period</b> , issue a preliminary capacity market statement to each <b>capacity market participant</b> , in respect of all assets listed opposite a <b>capacity market participant</b> on the list the <b>ISO</b> publishes pursuant to Section 206.4 of the <b>ISO rules</b> , <i>Capacity Market Participant Registration</i> determined on: <ul style="list-style-type: none"> <li>(a) an initial basis for that <b>settlement period</b>;</li> <li>(b) an interim basis for that <b>settlement period</b> which is 2 <b>months</b> prior to that <b>settlement period</b>; and</li> <li>(c) a final basis for that <b>settlement period</b> which is 4 <b>months</b> prior to that <b>settlement period</b>.</li> </ul>	
9	(2)	The <b>ISO</b> must include the line items as per subsection 3(1) and any interest, late payment or other costs or charges, as applicable, under Section 103.7 of the <b>ISO rules</b> , <i>Financial Default and Remedies</i> in the preliminary capacity market statement.	
9	(3)	Subject to the provisions of Section 103.1 of the <b>ISO rules</b> , <i>Confidentiality</i> , and upon reasonable written request, the <b>ISO</b> must provide to a <b>capacity market participant</b> supporting records used in determining the line items and net amounts contained in a capacity market statement.	
		<b>Final Capacity Market Statement</b>	

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10	(1)	<p>The <b>ISO</b> must, no later than the close of business on the 15<sup>th</sup> <b>business day</b> after the end of each <b>settlement period</b>, issue a final capacity market statement to each <b>capacity market participant</b> containing the, amounts set out in the preliminary capacity market statement and determined on:</p> <ul style="list-style-type: none"> <li>(a) an initial basis for that <b>settlement period</b>;</li> <li>(b) an interim basis for that <b>settlement period</b> which is 2 <b>months</b> prior to that <b>settlement period</b>; and</li> <li>(c) a final basis for that <b>settlement period</b> which is 4 <b>months</b> prior to that <b>settlement period</b>.</li> </ul>	
10	(2)	The final capacity market statement may also contain any updated items and information not previously appearing on the preliminary capacity market statement.	
		<b>Settlement Date and Payment Obligations</b>	
11	(1)	The <b>ISO</b> must use the 20 <sup>th</sup> <b>business day</b> following the last day of that <b>settlement period</b> as the settlement date for a <b>settlement period</b> .	
11	(2)	The <b>ISO</b> must, each January publish on the AESO website the calendar dates which are settlement dates for the current and next calendar year, being the dates for the financial settlement for the final capacity market statements.	
11	(3)	The <b>ISO</b> must, if the <b>ISO</b> owes an amount to the <b>capacity market participant</b> pursuant to subsection 4, pay that amount by the settlement date.	
		<b>Interest and Other Late Payment Costs and Charges</b>	
12		A <b>capacity market participant</b> must, if it fails to pay on or before a settlement date any outstanding <b>financial obligation</b> dollar amount owing to the <b>ISO</b> as set out in any of the <b>capacity market participant's</b> final capacity market statements, pay interest, a late payment charge, and any other costs and charges in accordance with the provisions of Section 103.7 of the <b>ISO rules</b> , <i>Financial Default and Remedies</i> .	
		<b>Method of Payment</b>	
13		A <b>capacity market participant</b> must pay an amount the <b>capacity market participant</b> owes, as set out in its final capacity market statement, to the <b>ISO</b> by the method the <b>ISO</b> specifies.	

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		<b>Prepayment Procedures</b>	
14	(1)	A <b>capacity market participant</b> may prepay by the method the <b>ISO</b> specifies at any date during a <b>settlement period</b> other than a specified <b>settlement period</b> date.	
14	(2)	The <b>ISO</b> may apply any prepayment amount against any outstanding <b>financial obligations</b> of that <b>capacity market participant</b> .	
		<b>Informal Disputes</b>	
15		If a <b>capacity market participant</b> has a dispute with the <b>ISO</b> about the content of a final capacity market statement of the <b>capacity market participant</b> prior to the <b>ISO</b> issuing that final capacity market statement on a final basis in accordance with subsection 10(1)(c), then the <b>capacity market participant</b> and the <b>ISO</b> must make reasonable efforts to informally resolve the dispute in accordance with subsection 2 of Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> .	
		<b>Formal Dispute Periods</b>	
16		The <b>ISO</b> must, each January, publish on the AESO website the formal dispute submission periods for each of the <b>settlement periods</b> of that calendar year.	
		<b>Capacity Market Statement Formal Disputes After Final Capacity Market Statement</b>	
17	(1)	Subject to subsection 15, a <b>capacity market participant</b> may not formally dispute a final capacity market statement for a <b>settlement period</b> until the <b>ISO</b> has issued the final capacity market statement on a final basis for that <b>settlement period</b> in accordance with subsection 10(1)(c).	
17	(2)	If a <b>capacity market participant</b> desires to proceed with a formal dispute, then the <b>capacity market participant</b> must submit a written dispute notice to the <b>ISO</b> in accordance with subsection 3 of Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> , prior to the expiry of the formal dispute submission period for the <b>settlement period</b> .	
17	(3)	The <b>ISO</b> must not make adjustments to any amounts of any final capacity market statement issued on a final basis unless the adjustments result from a formal dispute resolution written agreement between the <b>ISO</b> and the <b>capacity market participant</b> or from a determination under subsection 5(3) of Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> .	



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17	(4)	The <b>ISO</b> must, if the terms of a formal dispute have been agreed to in principle between the <b>ISO</b> and the <b>capacity market participant</b> , deliver a written agreement to the <b>capacity market participant</b> detailing the dispute resolution terms, the subject <b>settlement period</b> , a summary of adjustments, and the requirement that the <b>capacity market participant</b> confirms and agrees to the formal dispute resolution by signing and returning the written agreement to the <b>ISO</b> .	
17	(5)	A <b>capacity market participant</b> must, no later than the close of business on the thirtieth (30 <sup>th</sup> ) <b>business day</b> from the receipt of the written agreement from the <b>ISO</b> , reply by signing and accepting the written agreement and once signed and accepted and redelivered to the <b>ISO</b> , the <b>capacity market participant</b> will not have further recourse under Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> or any other legal or equitable remedy with respect to the formal dispute.	
17	(6)	The <b>ISO</b> may deem that the capacity market participant has accepted the written agreement if the <b>capacity market participant</b> fails to respond by the 30 <sup>th</sup> <b>business day</b> .	
17	(7)	The <b>capacity market participant</b> must not have further recourse under Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> , or any other legal or equitable remedy with respect to the formal dispute if the written agreement is accepted or deemed to be accepted pursuant to subsection 17(7).	
17	(8)	A <b>capacity market participant</b> may, if the <b>capacity market participant</b> rejects the written agreement by delivering a rejection notice to the <b>ISO</b> by the 30 <sup>th</sup> <b>business day</b> , seek to have the formal dispute resolved by a determination under Section 103.2 of the <b>ISO rules</b> , <i>Dispute Resolution</i> .	
		<b>Capacity Market Statement Adjustments for Resolved Disputes</b>	
18	(1)	The <b>ISO</b> must, if an informal dispute is resolved under subsection 15, adjust the final capacity market statement for that <b>settlement period</b> to include any resolved line item adjustments and the adjusted net amount payable by or to the <b>capacity market participant</b> .	
18	(2)	The <b>ISO</b> must, if a formal dispute is resolved under subsection 17, adjust the next final capacity market statement after the resolution to include any resolved line item adjustments and the adjusted net amount payable by or to the <b>capacity market participant</b> .	

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		<b>ISO Recourse to Section 103.7 of the ISO Rules, <i>Financial Default and Remedies</i></b>	
19		The <b>ISO</b> may, in the event that the <b>capacity market participant</b> fails to pay an invoice or any dollar amount under this section 103.9, deem such failure to be a <b>financial obligation</b> default event which will allow the <b>ISO</b> to have recourse to the rights and remedies of the <b>ISO</b> under Section 103.7 of the <b>ISO rules, <i>Financial Default and Remedies</i></b> .	

**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 the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> relates to the capacity market and why or why not	The UCA agrees that the proposed ISO Rule – Section 103.9 relates to the capacity market.
2	whether you agree that the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> and whether, in your view, the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> meets the objective or purpose	The UCA understands and agrees with the objectives of the proposed new ISO Rule.
4	how, in your view, the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> affects the performance of the capacity market and the electricity market	The rule details the net capacity payments, payment methods, informal and formal disputes, and market settlements.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i>	See comments below.
6	whether you agree with the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	See comments below.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 103.9, <i>Capacity Market Financial Settlement</i>	As mentioned in section 7(2), the UCA recommends that the ISO use any remaining adjustments funds to offset capacity market costs after each settlement period. There must be a time limit or a financial threshold that triggers the ISO to use the funds to offset costs and not simply allow the funds to accumulate indefinitely.

Item #		Stakeholder comments
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	The cost may not be reasonable for the reasons/concerns noted above.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	If the cost is too high the public interest is not supported.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 103.9, Capacity Market Financial Settlement.***

Proposed Amended ISO rule – Section 201.13, *Capacity Market Clearing*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

***Please provide comments relating to the subsection of the proposed amendments to the rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Auction Clearing</b>	
2	(1)	<p>The ISO must use a clearing process that clears <b>offers</b> and <b>bids</b>, as applicable, in a manner that maximizes social surplus with consideration of the following:</p> <ul style="list-style-type: none"> <li>(a) a lower priced <b>capacity block</b> in an <b>offer</b> will be cleared before a higher priced <b>capacity block</b> in an <b>offer</b>;</li> <li>(b) a higher priced <b>capacity block</b> in a <b>bid</b> will be cleared before a lower priced <b>capacity block</b> in a <b>bid</b>;</li> <li>(c) when multiple equivalent <b>flexible blocks</b> are submitted at the clearing price and result in the same social surplus, clear such equivalent <b>flexible blocks</b> as follows:                             <ul style="list-style-type: none"> <li>(i) on a pro-rata basis, if all pro-rated quantities in MW remain whole numbers; or</li> <li>(ii) on a random basis, in all other cases;</li> </ul> </li> <li>(d) when multiple equivalent <b>inflexible blocks</b> are submitted at the clearing price and result in the same social surplus, clear such equivalent <b>inflexible blocks</b> as follows:                             <ul style="list-style-type: none"> <li>(i) clear a combination of the smallest volume <b>inflexible blocks</b>, if possible;</li> </ul> </li> </ul>	<p>The capacity market design and rationale documents refers to sealed bids in capacity base auctions.</p> <p>There appears to be a distinction between offers and bids identified in this rule, but it is not clear what the differences are. Further, the terms have not been updated to include use in the capacity market.</p> <p>ISO Rule, Section 206.4, 2(1) under subsection <i>Obligation to Offer and Offer Content for a Base Auction</i>, states that a capacity market participant must submit an offer for the base auction and as per 3(1), under subsection <i>Obligation to Offer and Offer Content for a Rebalancing Auction</i>, must submit an offer for a rebalancing auction if their UCAP is greater than their capacity commitment, but as per 206.4, 7(1)(a), may submit a bid in a rebalancing auction for a quantity in MW that is less than its capacity commitment.</p> <p>Clarity around these rules is needed and the glossary should be updated to include these definitions for bids and offers.</p> <p>In section (c), the UCA finds the wording unclear around the clearing of random blocks to maximize social surplus. Please provide additional clarity.</p>

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		<p>or</p> <p>(ii) on a random basis, in all other cases; and</p> <p>(e) when multiple equivalent <b>flexible blocks</b> and <b>inflexible blocks</b> are submitted at the clearing price and result in the same social surplus, clear such equivalent <b>flexible blocks</b> and <b>inflexible blocks</b> on a random basis.</p>	
		<p><b>Consideration of Transmission Market Constraint and Transfer Path Limits in Clearing Process</b></p>	
4	(1)	<p>The <b>ISO</b> may, in the event that the <b>ISO</b> determines that the energy associated with an <b>offer</b> may be unable to be delivered to the <b>interconnected electric system</b> during the <b>obligation period</b> due to either a <b>transmission market constraint</b> or a limit on an Alberta <b>intertie</b> determined in accordance with subsection 3:</p> <p>(a) not clear the <b>offer</b>;</p> <p>(b) clear a portion of the <b>offer</b>; or</p> <p>(c) if there are multiple <b>flexible blocks</b> impacted by the same <b>transmission market constraint</b> or limit on an Alberta <b>intertie</b> either:</p> <p>(i) not clear the <b>flexible blocks</b>; or</p> <p>(ii) when multiple equivalent <b>flexible blocks</b> are submitted at the same price and result in the same social surplus, clear such equivalent <b>flexible blocks</b> on a pro-rata basis.</p> <p>(d) if there are multiple <b>inflexible blocks</b> impacted by the same <b>transmission market constraint</b> or limit on an Alberta <b>intertie</b> either:</p> <p>(i) not clear the <b>inflexible blocks</b>; or</p> <p>(ii) when multiple equivalent <b>inflexible blocks</b> are submitted at the same price and result in the same social surplus, clear such equivalent <b>inflexible blocks</b> on a random basis.</p>	<p>Section appears to be discussing the energy market, however, this rule is about capacity. It would be beneficial if this rule is conveyed more clearly once offers and bids are explained and defined.</p>
		<p><b>Setting Auction Clearing Price</b></p>	

Section	Subsection	Proposed language	Stakeholder comments
5	(1)	<p>The ISO must establish the clearing price of a <b>base auction</b> or <b>rebalancing auction</b>, without consideration of <b>transmission market constraints</b> in subsection 4, at the point on the demand curve that:</p> <ul style="list-style-type: none"> <li>(a) intersects with the supply curve; or</li> <li>(b) corresponds to the volume of the cleared offers where the entire cleared offers are below the demand curve.</li> </ul>	



**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 amended ISO rule – <i>Section 201.13, Capacity Market Clearing</i> relates to the capacity market and why or why not	Yes, the rule relates to the capacity market as long as the definitions of offers and bids are clearly defined.
2	whether you agree that amended ISO rule – <i>Section 201.13, Capacity Market Clearing</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of amended ISO rule – <i>Section 201.13, Capacity Market Clearing</i> and whether, in your view, <i>Section 201.13, Capacity Market Clearing</i> meets the objective or purpose	No, because the UCA is uncertain how clearing random blocks would maximize social surplus.
4	how, in your view, amended ISO rule – <i>Section 201.13, Capacity Market Clearing</i> affects the performance of the capacity market and the electricity market	Amending the rule should lead to a clear understanding of how the clearing price is established. This contributes towards having effective, structured capacity and electricity markets.
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – <i>Section 201.13, Capacity Market Clearing</i>	No comment.
6	whether you agree with amended ISO rule – <i>Section 201.13, Capacity Market Clearing</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	See comments above.
7	whether you would suggest any alternatives to amended ISO rule – <i>Section 201.13, Capacity Market Clearing</i>	No comment.

Item #		Stakeholder comments
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	The UCA is in the view that generators should make more money in the energy market rather than the capacity market. Clearing random blocks could result in more profits to the generators on the capacity market side. If this is the case, the costs to customers may not be as reasonable as they could be.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	If the cost is too high the public interest is not supported.

***Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 201.13, Capacity Market Clearing.***

Proposed New ISO rule – Section 201.14, *Capacity Market Offer Control Information*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

**Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.**

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 201.14 applies to: (a) a <b>capacity market participant</b> .	
		<b>Requirements</b> <b>Offer Control Information</b>	
2		A <b>capacity market participant</b> must, prior to each <b>base auction</b> and within the timelines established in the <i>Capacity Market Auction Guidelines</i> , submit to the <b>ISO</b> : (a) the <b>offer control information</b> for an asset that has been assigned a <b>uniform capacity value</b> for the <b>base auction</b> ; and (b) as it relates to the <b>offer control information</b> submitted in subsection 2(a), a list of any and all associates of a <b>market participant</b> , as defined in subsection 5 of the <i>Fair, Efficient, and Open Competition Regulation</i> .	The UCA seeks clarification on the term “offer”, as it is used differently in the context of the energy market and the capacity market. We request further specification on its formal definition and how it pertains to each of the individual markets.
		<b>Offer Control of Capacity Blocks</b>	
3	(1)	A <b>capacity market participant</b> must, in the <b>offer</b> that the <b>capacity market participant</b> submits in the <b>base auction</b> and the <b>rebalancing auction</b> , submit for each <b>capacity</b>	

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>block</b> with a quantity of <b>uniform capacity value</b> greater than 0 MW:</p> <ul style="list-style-type: none"> <li>(a) <b>offer control information</b> for such <b>capacity block</b>, as applicable; and</li> <li>(b) the quantity of <b>uniform capacity value</b> in such <b>capacity block</b> to which the <b>offer control information</b> relates.</li> </ul>	
3	(2)	A <b>capacity market participant</b> must ensure that the <b>offer control information</b> submitted in subsection 3(1) aligns with the <b>offer control information</b> submitted in subsection 2.	

**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 the proposed new ISO Rule – Section 201.14, <i>Capacity Market Offer Control Information</i> relates to the capacity market and why or why not	Yes, the information requested under this rule is relevant to confirm capacity available to the electric grid.
2	whether you agree that the proposed new ISO Rule – Section 201.14, <i>Capacity Market Offer Control Information</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 201.14, <i>Capacity Market Offer Control Information</i> and whether, in your view, the proposed new ISO Rule – Section 201.14, <i>Capacity Market Offer Control Information</i> meets the objective or purpose	Further clarification required.
4	how, in your view, the proposed new ISO Rule – Section 201.14, <i>Capacity Market Offer Control Information</i> affects the performance of the capacity market and the electricity market	The rule will offer essential information to AESO dispatchers, thus will contribute towards the efficiency of the capacity market.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 201.14, <i>Capacity Market Offer Control Information</i>	No comment.
6	whether you agree with the proposed new ISO Rule – Section 201.14, <i>Capacity Market Offer Control Information</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	See previous comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 201.14, <i>Capacity Market Offer Control Information</i>	No.

Item #		Stakeholder comments
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	Having capacity market offer control does not have a direct relation to provide reasonable cost to consumers. However, the rule contributes toward the efficiency of the capacity market and this may indirectly contribute to providing a reasonable cost to consumers.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	Yes, because transparency is important to the public; however; if the cost is too high the public interest is not supported.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 201.14, Capacity Market Offer Control Information.***

The UCA has mentioned in other comments that the definitions of bids and offers need to be clarified by the AESO.



# Stakeholder Comment Matrix – September 7, 2018



## Proposed New ISO rule – Section 201.15, *Delisting*

<b>Period of Comment:</b>	September 7, 2018 through September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate	<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28	<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

**Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.**

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 201.15 applies to: <ul style="list-style-type: none"> <li>(a) a <b>capacity market participant</b>;</li> <li>(b) a <b>pool participant</b>;</li> <li>(c) the <b>legal owner</b> of a <b>generating unit</b> or <b>aggregated generating facility</b> where such <b>generating unit</b> or <b>aggregated generating facility</b> is the subject of a permanent delist notification; and</li> <li>(d) the <b>ISO</b>.</li> </ul>	
		<b>Requirements</b> <b>Request to Temporarily Delist for Economic Reasons</b>	
2	(1)	A <b>capacity market participant</b> may, within the timelines specified in the <i>Capacity Market Auction Guidelines</i> for the last <b>rebalancing auction</b> and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> a request to temporarily delist an asset for the <b>obligation period</b> for economic reasons.	
2	(2)	A <b>capacity market participant</b> must, in the request referred to in subsection 2(1), submit:	Section 2(2)(a)(iii) states, “the start date and the end date of the delist outage referred to in 2(2)(b)(i)”, however 2(2)(b)(i) does not exist. This should be corrected for 2(2)(a)(i).

Section	Subsection	Proposed language	Stakeholder comments
		<p>(a) an attestation from a corporate officer of the <b>pool participant</b>:</p> <p>(i) that the <b>pool participant</b> confirms that if the request is approved by the <b>ISO</b>, the <b>delist outage</b> in the energy market in the <b>obligation period</b> will total greater than 210 <b>days</b> such that participation in the energy market is for a continuous period of 155 days or less;</p> <p>(ii) the MW volume of the asset that will be subject to a <b>delist outage</b> in the energy market;</p> <p>(iii) the start date and the end date of the <b>delist outage</b> referred to in 2(2)(b)(i);</p> <p>(b) the avoidable costs associated with the <b>delist outage</b> referred to in subsection 2(2)(a);</p> <p>(c) any information necessary for the ISO to calculate the energy and ancillary services offset in accordance with subsection 3(2).</p> <p>(d) an attestation from a corporate officer of the <b>legal owner</b> of the asset that the avoidable costs and information referred to in subsections 2(2)(b) and 2(2)(c), respectively, are accurate; and</p> <p>(e) any other information the <b>ISO</b> specifies as it relates to the request to temporarily delist an asset for economic reasons.</p>	<p>Section 201.15 s2(2)(a)(i) does not currently account for a leap year. Consideration should be included for leap years.</p> <p>Section 2(2)(a) states that a capacity market participant must submit, “an attestation from a corporate officer of the pool participant.” The UCA believes that there should be a more rigorous and transparent process for submitting requests rather than relying solely on an officers attestation. The process should provide the ability for interveners to dispute or challenge the request if desired.</p> <p>This reinforces the need for proper scrutiny on the costs submitted to support delisting. There should be a submission of costs to an independent third party such as the AUC and proper process should be followed to ensure costs are prudent and reasonable.</p>
		<p><b>ISO Review and Approval of Request to Temporarily Delist for Economic Reasons</b></p>	
3	(1)	The <b>ISO</b> may exclude all or a portion of the avoidable costs submitted pursuant to subsection 2(2)(b) where such costs, in the <b>ISO</b> 's determination, are unreasonable.	
3	(2)	The <b>ISO</b> must calculate the energy and ancillary services offset, as applicable, for the asset during the <b>obligation period</b> using the methodology set out in Section 206.11 of <b>ISO rules, Energy and Ancillary Services Offset for Assets</b> .	
3	(3)	The <b>ISO</b> may, where the <b>ISO</b> determines that the energy associated with the outage referred to in subsection 2(2)(a) is not necessary to maintain <b>reliability</b> during the <b>obligation period</b> , approve a request to temporarily delist for economic reasons.	
3	(4)	The <b>ISO</b> must, if it approves a request pursuant to subsection 3(3), provide the <b>capacity market participant</b> , within the timelines specified in the <i>Capacity Market Auction</i>	

Section	Subsection	Proposed language	Stakeholder comments
		<p><i>Guidelines</i> for the last <b>rebalancing auction</b>, with a price based on the remaining avoidable costs submitted in accordance with subsection 2(2)(b) that have not been excluded in accordance with subsection 3(3), net of the energy and ancillary services offset.</p>	
		<p><b>Submission of Offer Price for Temporary Economic Delist</b></p>	
4		<p>Notwithstanding Section 206.4 of the <b>ISO rules</b>, <i>Offers and Bids for the Capacity Market</i>, a <b>capacity market participant</b> that has been provided a price in accordance with subsection 3(4) must submit an <b>offer</b> comprised of one <b>capacity block</b> at the price specified in subsection 3(4) in the last <b>rebalancing auction</b> for the MW volume set out in subsection 2(2)(a)(ii).</p>	
		<p><b>Request to Temporarily Delist due to Physical or Operational Limitations</b></p>	
5	(1)	<p>A <b>capacity market participant</b> must, within the timelines specified in the <i>Capacity Market Auction Guidelines</i> and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> a request to temporarily delist an asset from the capacity market for the <b>obligation period</b> if the asset will be subject to a derate or an outage for a period greater than or equal to 150 continuous <b>days</b> in the <b>obligation period</b> due to a physical operational limitation of the asset of the <b>capacity market participant</b>.</p>	
5	(2)	<p>A <b>capacity market participant</b> must, subject to subsection 5(3), submit the following information to the <b>ISO</b> in the request referred to in subsection 5(1):</p> <ul style="list-style-type: none"> <li>(a) a description of the physical or operational limitation;</li> <li>(b) a description of any major repairs required to rectify the physical or operational limitation; and</li> <li>(c) if applicable, an order, decision, final rule, opinion or final directive from a regulatory authority specifically mandating the derating of the asset.</li> </ul>	
5	(3)	<p>A <b>capacity market participant</b> must, in the case of an asset with <b>new capacity</b>, refurbished capacity or incremental capacity, submit to the <b>ISO</b> in the request referred to in subsection 5(1) an attestation from a corporate officer of the <b>capacity market participant</b> certifying that the <b>new capacity</b>, refurbished capacity or incremental capacity will not be in full commercial operation prior to the <b>obligation period</b>.</p>	

Section	Subsection	Proposed language	Stakeholder comments
5	(4)	<p>A <b>capacity market participant</b> must, in the request referred to in subsection 5(1), submit:</p> <p>(a) an attestation from a corporate officer of the <b>pool participant</b>:</p> <ul style="list-style-type: none"> <li>(i) that the <b>pool participant</b> confirms that if the request is approved by the <b>ISO</b>, the <b>delist outage</b> in the energy market will be for a continuous period in the <b>obligation period</b> which must be greater than 150 days;</li> <li>(ii) the MW volume of the asset that will be subject to a <b>delist outage</b> in the energy market;</li> <li>(iii) a description of the physical or operational limitation of the asset; and</li> </ul> <p>(iv) the start date and the end date of the <b>delist outage</b> referred to in 5(2)(c)(i); and</p> <p>(b) any other information the <b>ISO</b> specifies as it relates to the request to temporarily delist the asset.</p>	
		<p><b>ISO Approval of Request to Temporarily Delist due to a Physical or Operational Limitation</b></p>	
6	(1)	<p>The <b>ISO</b> must approve a request to temporarily delist an asset due to a physical or operational limitation if:</p> <ul style="list-style-type: none"> <li>(a) the <b>ISO</b> is satisfied that the request referred to in subsection 5(1) is complete; and</li> <li>(b) the <b>delist outage</b> referred in subsection 5(2)(a) is greater than 150 continuous days in the <b>obligation period</b>.</li> </ul>	
6	(2)	<p>Notwithstanding subsection 6(1), the <b>ISO</b> may not approve a request to temporarily delist an asset if, in the <b>ISO</b>'s determination, the volume of <b>capacity</b> is necessary to maintain <b>reliability</b>.</p>	
		<p><b>Delist Outage</b></p>	
7	(1)	<p>A <b>pool participant</b> must, if the <b>offer</b> referred to in subsection 4(1) does not clear in the last <b>rebalancing auction</b>, submit a <b>delist outage</b> that corresponds to the outage declared in accordance with subsection 2(2)(a).</p>	

Section	Subsection	Proposed language	Stakeholder comments
7	(2)	A <b>pool participant</b> must, if the <b>ISO</b> approves a request pursuant to subsection 6, submit a <b>delist outage</b> that corresponds to the outage declared in accordance with subsection 5(2)(a).	
		<b>Request to Change Delist Outage</b>	
8	(1)	A <b>pool participant</b> must submit a request to the <b>ISO</b> to change the <b>delist outage</b> submitted in accordance with subsection 7(2) in the manner the <b>ISO</b> specifies.	
8	(2)	The <b>ISO</b> may approve a request submitted under subsection 8(1) if the <b>ISO</b> determines that the change to the <b>delist outage</b> has no material impact to <b>reliability</b> , unless such request reduces the <b>delist outage</b> to less 150 <b>days</b> .	
		<b>Restriction on Ability to Temporarily Delist</b>	
9		A <b>capacity market participant</b> must not temporarily delist an asset for more than two consecutive <b>obligation periods</b> .	
		<b>Permanent Delist Notification</b>	
11	(1)	A <b>capacity market participant</b> may, in accordance with the timelines established in the <i>Capacity Market Auction Guidelines</i> for the <b>base auction</b> or the first <b>rebalancing auction</b> for an <b>obligation period</b> , and in the manner the <b>ISO</b> specifies, submit to the <b>ISO</b> a notification to permanently delist an asset.	
11	(2)	A <b>capacity market participant</b> must, in the notification referred to in subsection 11(1), submit: (a) the MW volume from the asset that the <b>capacity market participant</b> is permanently delisting; and (b) in the case of a <b>generating unit, aggregated generating facility</b> or <b>energy storage facility</b> : (i) an attestation from a corporate officer of the <b>pool participant</b> : (A) that the <b>pool participant</b> confirms that the MW volume referred to in subsection 11(2)(a) will be removed from the energy market on or before the first <b>day</b> of	

Section	Subsection	Proposed language	Stakeholder comments
		<p>June in the <b>obligation period</b>; and</p> <p>(B) the date that the MW volume from the asset will be removed from the energy market.</p> <p>(ii) an attestation from a corporate officer of the <b>legal owner</b>:</p> <p>(A) that the <b>legal owner</b> confirms that the MW volume referred to in subsection 11(2)(a) will be removed from the energy market on or before the first <b>day</b> of June in the <b>obligation period</b>; and</p> <p>(B) the date that the MW volume from the asset will be removed from the energy market.</p>	
11	(3)	<p>A <b>capacity market participant</b> may not revoke a notification to permanently delist after it has been submitted to the <b>ISO</b> in accordance with subsections 11(1) and 11(2).</p>	
11	(4)	<p>The <b>ISO</b> must implement the removal of the MW volume from an asset referred to in subsection 11(2) from the energy market.</p>	

**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 the proposed new ISO Rule – Section 201.15, <i>Delisting</i> relates to the capacity market and why or why not	Yes, delisting requirements provide clarity to the AESO for calculations of resource adequacy supply.
2	whether you agree that the proposed new ISO Rule – Section 201.15, <i>Delisting</i> should [or should not] be in effect for a fixed term and why or why not	The UCA is in the opinion that new capacity market rules and new or amended energy market rules should be in effect for a pre-determined duration and continuously monitored for effectiveness. If the rule is not working effectively in this period, there should be an expedited procedural process to update/amend the rule.
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 201.15, <i>Delisting</i> and whether, in your view, the proposed new ISO Rule – Section 201.15, <i>Delisting</i> meets the objective or purpose	Yes
4	how, in your view, the proposed new ISO Rule – Section 201.15, <i>Delisting</i> affects the performance of the capacity market and the electricity market	The rule contain strict requirements of temporary and permanent delisting. This rule would enhance the performance of the capacity market because it would provide a very clear picture of who is participating and who is not participating.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 201.15, <i>Delisting</i>	No comment.
6	whether you agree with the proposed new ISO Rule – Section 201.15, <i>Delisting</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	Yes.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 201.15, <i>Delisting</i>	No.
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	This rule provides a procedure and limitations for delisting.

Item #		Stakeholder comments
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	Yes, because there are some term limitations for temporary delisting to ensure that generators cannot continually delist to their advantage.



***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 201.15, Delisting.***

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

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.3 applies to: (a) a <b>capacity market participant</b> ; and (b) the <b>ISO</b> .	
		<b>Requirements</b> <b>1250 Tightest Supply Cushion Hours</b>	
2		The <b>ISO</b> must select 250 hours from each 12 <b>month</b> consecutive period in the historical 60 <b>month</b> evaluation period as follows: (a) calculate the supply cushion for every hour; (b) rank all hours based on supply cushion in ascending order; (c) within the order referred to in subsection 2(b), rank hours with equivalent supply cushion in ascending order from the most recent to the most distant of time; and (d) select the first 250 hours after ranking in accordance with subsection 2(b) and 2(c).	For clarity, “historical data set” should be defined as 1250 of the tightest supply cushion hours over the last 5 years subject to rule 206.3.

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>Asset Specific Hours for Uniform Capacity Value Calculation</b></p>	
3	(1)	<p>The <b>ISO</b> must remove the following hours from the 1250 hours identified in subsection 2 on an asset-specific basis, in order to create an historical data set for each asset listed for a <b>capacity market participant</b> on the list:</p> <ul style="list-style-type: none"> <li>(a) hours in which there was a state of markets suspension;</li> <li>(b) hours that the <b>ISO</b> determines that the asset was affected by: <ul style="list-style-type: none"> <li>(i) an event of limited markets operations, war, invasion, armed conflict, blockade, act of public enemy, riot, revolution, insurrection, act of terrorism, sabotage, act of vandalism, fire that does not originate at the asset, lightning, explosion, earthquake or flooding; and</li> <li>(ii) a <b>mothball outage</b> or temporary economic <b>delist outage</b>;</li> </ul> </li> <li>(c) hours in which the asset had no production or consumption history;</li> <li>(d) hours in which the asset was <b>commissioning</b>; and</li> <li>(e) in the case of an import asset, hours in which the relevant transfer path was unavailable as a result of an issue on the Alberta transmission system.</li> </ul>	
3	(2)	<p>The <b>ISO</b> may, in the case of a <b>long lead time asset</b> that was synchronized but had varying start-up times for distinct portions of its MW and which required more than 1 hour to deliver such additional portions of its MW, remove the hours where the <b>ISO</b> determines that:</p> <ul style="list-style-type: none"> <li>(a) the <b>pool participant</b> reason in the Energy Trading System indicates that the asset was offline for a long lead time configuration; or</li> <li>(b) the cost assessment for the asset exceeds the <b>pool price</b>;</li> </ul> <p>in order to create an historical data set for each <b>long lead time asset</b> listed for a <b>capacity market participant</b> on the list.</p>	
3	(3)	<p>The <b>ISO</b> must, if it determines that the asset was impacted by a <b>transmission market constraint</b> during an hour in the asset’s historical data set, add the volume that was</p>	

Section	Subsection	Proposed language	Stakeholder comments
		curtailed to the <b>metered volume</b> in that hour for the purposes of calculating the <b>uniform capacity value</b> for the asset in accordance with subsection 5(2).	
		<b>Selection of Methodologies for Uniform Capacity Value Calculation</b>	
4		<p>The <b>ISO</b> must, when calculating a <b>uniform capacity value</b> for an asset, apply the methodologies as follows:</p> <ul style="list-style-type: none"> <li>(a) if the number of hours in the historical data set determined in accordance with subsection 3 is greater than or equal to 300 hours and less than or equal to 1250 hours then the methodologies in subsection 5 will be applied to the hours in the historical data set;</li> <li>(b) if the number of hours in the historical data set determined in accordance with subsection 3 is greater than or equal 1 hour and less than 300 hours then: <ul style="list-style-type: none"> <li>(i) the methodologies in subsection 5 will be applied to the hours in the historical data set, as applicable; and</li> <li>(ii) the methodology in subsection 6 will be applied to the number of hours that is 300 hours minus the hours in the historical data set, determined in accordance with subsection 3;</li> </ul> </li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>(c) if the number of hours in the historical data set determined in accordance with subsection 3 is 0 hours then the methodology in subsection 6 will be applied to 300 hours.</li> </ul>	
		<b>Methodologies for Hours in the Historical Data Set</b>	
5	(1)	<p>The <b>ISO</b> must, subject to subsections 5(2) through 5(8) calculate a <b>uniform capacity value</b> for an asset as follows:</p> <ul style="list-style-type: none"> <li>(a) calculate the hourly availability factor using the time weighted <b>available capability</b> as observed in the Energy Trading System, divided by <b>maximum capability</b> observed in each hour in the historical data set;</li> <li>(b) calculate the availability factor by averaging the hourly availability factors as</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>calculated in subsection 5(1)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the availability factor calculated in subsection 5(1)(b) by the asset's <b>maximum capability</b>.</p>	
5	(2)	<p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a wind or solar <b>aggregated generating facility</b> or a run of river hydroelectric <b>generating unit</b> or <b>aggregated generating facility</b>, or an aggregated asset containing a wind or solar <b>aggregated generating facility</b> or a run of river hydroelectric <b>generating unit</b> or <b>aggregated generating facility</b>, or assets that do not receive a dispatch as follows:</p> <p>(a) calculate the hourly capacity factor by adding <b>metered energy</b> and applicable <b>ancillary services</b> volumes observed in each hour in the historical data set, and dividing by <b>maximum capability</b>;</p> <p>(b) calculate the capacity factor by averaging each hourly capacity factor in subsection 5(2)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the capacity factor calculated in subsection 5(2)(b) by the asset's <b>maximum capability</b>.</p>	
5	(3)	<p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an import asset as follows:</p> <p>(a) calculate the lesser of an asset's <b>available capability</b> or an asset's firm transmission over a transfer path observed in each hour in the historical data set, and dividing by an asset's firm transmission capacity over a transfer path;</p> <p>(b) calculate the availability factor by averaging each hourly availability factor in subsection 5(3)(a) over the number of hours in the historical data set; and</p> <p>(c) multiply the availability factor calculated in subsection 5(3)(b) by an asset's firm transmission capacity over a transfer path.</p>	
5	(4)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a site with one or more onsite	

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>generating units</b> or <b>aggregated generating facilities</b> that self-supplies <b>capacity</b> and is dispatched gross-to-grid as follows:</p> <ul style="list-style-type: none"> <li>(a) calculate a gross <b>uniform capacity value</b> using the availability factor of the asset on the self-supply site as observed in each of the hours in the historical data set; and</li> <li>(b) translate the gross <b>uniform capacity value</b> calculated in subsection 5(4)(a) to a net <b>uniform capacity value</b> using a linear regression of net-to-grid energy relative to the energy market <b>dispatches</b> issued to the asset on the self-supply site.</li> </ul>	
5	(5)	<p>The <b>ISO</b> must, subject to subsection 7, calculate a <b>uniform capacity value</b> for a load asset providing <b>firm consumption level</b> as follows:</p> <ul style="list-style-type: none"> <li>(a) identify the <b>metered energy</b> for the <b>settlement intervals</b> with the same <b>hour ending</b> as the hour the historical data set in the following <b>days</b>: <ul style="list-style-type: none"> <li>(i) the 15 most recent <b>business days</b> prior to the <b>day</b> with the hour in the historical data set if the hour falls on a <b>business day</b>;</li> <li>(ii) the 10 most recent weekend <b>days</b> or holidays prior to the <b>day</b> with the hour in the historical data set if the hour falls on a weekend <b>day</b> or a holiday; or</li> <li>(iii) the <b>days</b> the <b>ISO</b> specifies if, in the 45 <b>day</b> period prior to the <b>day</b> with the hour in the historical data set, there are fewer than 15 <b>business days</b> and 10 weekend <b>days</b> when <b>days</b> containing <b>settlement intervals</b> identified in subsection 5(5)(b) are excluded;</li> </ul> </li> <li>(b) determine if any <b>settlement intervals</b> referred to in subsection 5(a) contain any of hours in the historical data set in accordance with subsection 2;</li> <li>(c) calculate the qualified baseline as the average of the <b>metered energy</b> for the <b>settlement intervals</b> referred to in subsection 5(5)(a) excluding the <b>metered energy</b> for the <b>settlement intervals</b> identified in subsection 5(5)(b); and</li> <li>(d) minus an asset's declared <b>firm consumption level</b> from the qualified baseline calculated in subsection 5(5)(b).</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
5	(6)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for a load asset providing <b>guaranteed load reduction</b> as the <b>guaranteed load reduction</b> declared in accordance with Section 206.1, <i>Qualification of Capacity</i> .	
5	(7)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset with incremental capacity by  multiplying the performance factor calculated in accordance with subsections 5(1) through 5(6), as applicable, by the sum of the assets <b>maximum capability</b> and the amount of incremental capacity.	
5	(8)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset that undergoes a derate in its <b>maximum capability</b> in accordance with subsection 5, as applicable, substituting the <b>maximum capability</b> of the asset for its derated <b>maximum capability</b> .	
5	(9)	Where the <b>uniform capacity value</b> for at least 1 asset in an aggregated asset would otherwise be calculated in accordance with subsection 5(2), the <b>ISO</b> must calculate the <b>uniform capacity value</b> of all assets in the aggregated asset in accordance with subsection 5(2).	
		<b>Methodologies for Hours not in the Historical Data Set</b>	
6	(1)	The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an asset in accordance with subsection 4, as follows:  (a) using a class average performance factor multiplied by <b>maximum capability</b> , where the class average performance factor is:  (i) for a load asset, 91% unless the <b>ISO</b> specifies a class average performance factor based on Alberta load data; or  (ii) for all other assets, as specified by the <b>ISO</b> ;  (b) if a class average performance factor is not available, using a performance factor based on engineering studies or equivalent engineering documents, or production or load estimates of the asset multiplied by <b>maximum capability</b> ; or	

Section	Subsection	Proposed language	Stakeholder comments
		(c) if a class average performance factor and production or load estimates are not available, using a performance factor based on a review of similar assets in other jurisdictions multiplied by <b>maximum capability</b> .	
6	(2)	<p>The <b>ISO</b> must calculate a <b>uniform capacity value</b> for an import asset where the hours in the historical data set are less than 250 as follows:</p> <p>(a) using the value declared, in accordance with Section 206.1, <i>Qualification of Capacity</i>, for the import asset; and</p> <p>(b) derating the value declared, in accordance with Section 206.1, <i>Qualification of Capacity</i>, to reflect the hours in the 1250 hours determined in accordance with subsection 2 where the British Columbia transfer path, Montana transfer path or Saskatchewan transfer path, as applicable, was out of service with an <b>available transfer capability</b> of 0 MW.</p>	
		<b>Test Requirement for Load Asset Providing a Firm Load Consumption</b>	
7	(1)	A <b>capacity market participant</b> must, if there were no delivery hours in the <b>obligation period</b> prior to <b>obligation period</b> that the <b>ISO</b> is calculating a <b>uniform capacity value</b> for in accordance with subsection 6(5), demonstrate to the <b>ISO</b> the ability of a load asset providing a <b>firm consumption level</b> to reduce down to the <b>firm consumption level</b> declared by the <b>capacity market participant</b> and maintain the reduction for 1 hour.	
7	(2)	The <b>ISO</b> must, in the event that the load asset providing a <b>firm consumption level</b> fails the demonstration in subsection 7(1), adjust the <b>uniform capacity value</b> calculated in accordance with subsection 6(5) to reflect the observed load reduction.	
		<b>Calculation of Ranges for a Uniform Capacity Value</b>	
8	(1)	<p>The <b>ISO</b> must, subject to subsection 8(2), calculate 3 ranges for a <b>uniform capacity value</b> on an asset-specific basis as follows:</p> <p>(a) the 5% range, as follows:</p> <p style="padding-left: 40px;">(i) calculate the upper limit, as follows:</p>	



Section	Subsection	Proposed language	Stakeholder comments
		<p>(A) remove 5% of the hours identified in the historical data set, in which the asset's availability factor or capacity factor, as applicable, was the lowest;</p> <p>(B) average the asset's remaining availability factor or capacity factor, as applicable; and</p> <p>(C) multiply the average remaining availability factor or capacity factor, as applicable, by the asset's <b>maximum capability</b>; and</p> <p>(ii) calculate the lower limit, as follows:</p> <p>(A) remove 5% of the hours identified in the historical data set, in which the asset's availability factor or capacity factor, as applicable, was the highest;</p> <p>(B) average the asset's remaining availability factor or capacity factor, as applicable; and</p> <p>(C) multiply the average remaining availability factor or capacity factor, as applicable, by the asset's <b>maximum capability</b>;</p> <p>(b) the +/- 2% range, as follows:</p> <p>(i) calculate the upper limit, as follows:</p> <p>(A) 2% multiplied by the <b>maximum capability</b>;</p> <p>(B) added to the <b>uniform capacity value</b>; and</p> <p>(ii) calculate the lower limit, as follows:</p> <p>(A) 2% multiplied by the <b>maximum capability</b>;</p> <p>(B) subtracted from the <b>uniform capacity value</b>; and</p> <p>(c) the +/- 1 MW range, as follows:</p> <p>(i) calculate the upper limit by adding 1 MW to the <b>uniform capacity value</b>; and</p> <p>(ii) calculate the lower limit by subtracting 1 MW to the <b>uniform capacity</b></p>	

Section	Subsection	Proposed language	Stakeholder comments
		<b>value.</b>	
8	(2)	<p>The <b>ISO</b> must not calculate the <b>uniform capacity value</b> ranges in subsection 7(1) for:</p> <ul style="list-style-type: none"> <li>(a) assets with <b>new capacity</b> or refurbished capacity;</li> <li>(b) incremental capacity;</li> <li>(c) a load asset; and</li> <li>(d) an import asset.</li> </ul>	
		<b>Notification of Tightest Supply Cushion Hours and Preliminary Uniform Capacity Values</b>	
9	(1)	<p>The <b>ISO</b> must publish on the AESO website:</p> <ul style="list-style-type: none"> <li>(a) the 1250 tightest supply cushion hours identified in accordance with subsection 2; and</li> <li>(b) the class averages referred to in subsection 6(a).</li> </ul>	
9	(2)	<p>The <b>ISO</b> must provide the following information to a <b>capacity market participant</b> on an asset-specific basis:</p> <ul style="list-style-type: none"> <li>(a) the hours in the historical data set, referred to in subsection 3;</li> <li>(b) the <b>uniform capacity value</b> calculated in accordance with subsections 4, 5 and 6, as applicable;</li> <li>(c) the methodology used to calculate the <b>uniform capacity value</b>;</li> <li>(d) the greatest of the upper limits calculated in accordance with subsections 8(1)(a)(i), 8(1)(b)(i) and 8(1)(c)(i) to a maximum of the asset's <b>maximum capability</b>; and</li> </ul> <p>the lowest of the lower limits calculated in accordance with subsection 8(1)(a)(ii), 8(1)(b)(ii) and 8(1)(c)(ii) to a minimum of 1 MW.</p>	
		<b>Uniform Capacity Value Variances</b>	

Section	Subsection	Proposed language	Stakeholder comments
10	(1)	<p>A <b>capacity market participant</b> may, within the timelines prescribed by the <i>Capacity Market Auction</i> Guidelines and in the manner specified by the <b>ISO</b>, submit to the <b>ISO</b>:</p> <ul style="list-style-type: none"> <li>(a) a request to vary the <b>uniform capacity value</b> of an asset for a reason set out in subsection 10(2); and</li> <li>(b) detailed information in support of the request, including, as applicable: <ul style="list-style-type: none"> <li>(i) metering or Energy Trading System data;</li> <li>(ii) information regarding a planned or completed physical change to the asset demonstrating that the <b>maximum capability</b> will increase or decrease by at least 1 MW;</li> <li>(iii) the characteristics, selection criteria and rationale for comparable assets, for class average and jurisdictional assessment requests, including: <ul style="list-style-type: none"> <li>(A) <b>maximum capability</b>; and</li> <li>(B) available production and load data, and</li> </ul> </li> <li>(iv) engineering studies or equivalent engineering documents, or production or load estimates which are specific to the asset at its location, completed by a qualified professional engineer.</li> </ul> </li> </ul>	
10	(2)	<p>The <b>ISO</b> may accept a request made in accordance with subsection 10(1) on the following:</p> <ul style="list-style-type: none"> <li>(a) the metering or Energy Trading System data during the historical data set evaluated by the <b>ISO</b> did not accurately reflect the <b>available capability</b> of the asset;</li> <li>(b) the asset has or will undergo a physical change before the start of the <b>obligation period</b> that will increase or decrease the <b>maximum capability</b> of the asset by at least 1 MW; or</li> <li>(c) where the class average data, production or load estimates, or jurisdictional assessment used in calculating the <b>uniform capacity value</b>, in accordance with subsections 6(1)(a)(ii), 6(1)(b) or 6(1)(c), does not create a comparable representation of the asset's future performance.</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
10	(3)	The <b>ISO</b> must notify the <b>capacity market participant</b> of its decision.	
		<b>Declaration and Assignment of Final Uniform Capacity Value</b>	
11	(1)	A <b>capacity market participant</b> must, in accordance with the timelines specified in the <i>Capacity Market Auction Guidelines</i> declare to the <b>ISO</b> , as applicable, the <b>uniform capacity value</b> within the range identified in subsection 8(1) that it will use for the auction.	
11	(2)	The <b>ISO</b> must, in accordance with the timelines specified in the <i>Capacity Market Auction Guidelines</i> , notify the <b>capacity market participant</b> of its assigned <b>uniform capacity value</b> .	

**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 the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> relates to the capacity market and why or why not	The UCA believes that the proposed ISO Rule relates to the capacity market as it governs the formulas, details, and calculations necessary to determine a participants Uniform Capacity Value (UCAP).
2	whether you agree that the proposed new ISO Rule – 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	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> and whether, in your view, the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> meets the objective or purpose	The UCA understands the objective/purpose of the proposed ISO Rule but does not necessarily support the proposed UCAP calculation.
4	how, in your view, the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i> affects the performance of the capacity market and the electricity market	The UCA believes that the proposed ISO Rule is a necessary step in providing participants transparency and a clear understanding as to how the ISO determines their UCAP values. The objective nature of the Rule will also reduce administrative burden on the ISO.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i>	The UCA has previously addressed concerns with the UCAP determination calculation and whether too much or too little capacity will be procured as a result.
6	whether you agree with the proposed new ISO Rule – 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	The UCA previously recommended the ISO consider a self-declared UCAP approach, where generators calculate their own UCAP and present it to the ISO for consideration.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.3, <i>Uniform Capacity Value Determination</i>	The UCA, in previous stakeholder engagement sessions, recommended the ISO consider a self-declared UCAP approach, where generators compute their own UCAP and present it to the ISO for consideration.
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	The UCA as noted on previous submissions has identified concerns with the UCAP determination calculation. The costs may not be reasonable for this reason.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	If the capacity procurement is too high or low the public interest is not supported.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 206.3, Uniform Capacity Value Determination.***

Proposed New ISO rule – Section 206.7, *Capacity Market Mitigation*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

**Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.**

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 206.7 applies to: <ul style="list-style-type: none"> <li>(a) a <b>person</b> who has offer control over <b>capacity</b> from an asset that has been assigned a <b>uniform capacity value</b> for a <b>base auction</b>; and</li> <li>(b) the <b>ISO</b>.</li> </ul>	
		<b>Market Power Screen</b>	
2	(1)	The <b>ISO</b> must, before a <b>base auction</b> and within the timelines prescribed by the <i>Capacity Market Auction Guidelines</i> , identify those <b>persons</b> who have market power by conducting the following steps: <ul style="list-style-type: none"> <li>(a) determine the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>;</li> <li>(b) determine the slope above the inflection point of the final demand curve for the <b>base auction</b> using the following formula:                             <math display="block">m = \frac{y_{cap} - y_{ip}}{x_{min} - x_{ip}}</math> </li> </ul>	



Section	Subsection	Proposed language	Stakeholder comments
		<p>Where</p> <p><math>m</math> means the slope above the inflection point of the final demand curve for the <b>base auction</b>;</p> <p><math>y_{cap}</math> means the price cap;</p> <p><math>x_{min}</math> means the minimum procurement volume;</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>, determined in subsection 2(1)(a); and</p> <p><math>x_{ip}</math> means the capacity volume of the inflection point.</p> <p>(c) determine the slope below the inflection point of the final demand curve for the <b>base auction</b> using the following formula:</p> $n = \frac{y_{ip} - y_{foot}}{x_{ip} - x_{foot}}$ <p>Where</p> <p><math>n</math> means the slope below the inflection point of the final demand curve for the <b>base auction</b>;</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>, determined in subsection 2(1)(a);</p> <p><math>x_{ip}</math> means the capacity volume of the inflection point;</p> <p><math>y_{foot}</math> means the price at the foot of the final demand curve for the <b>base auction</b>; and</p> <p><math>x_{foot}</math> means the volume of capacity at the foot of the final demand curve.</p> <p>(d) calculate the amount of <b>capacity</b> that, if withheld, will raise the clearing price from <math>y_{ip}</math> to 1.1 times <math>y_{ip}</math> using the following formula:</p> $w_1 = 0.1/m \times y_{ip}$ <p>Where:</p> <p><math>w_1</math> means the amount of <b>capacity</b> in MW, if withheld, will raise the clearing price from <math>y_{ip}</math> to 1.1 <math>y_{ip}</math>;</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the</p>	

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>base auction</b>, determined in subsection 2(1)(a); and</p> <p><i>m</i> means the slope above the inflection point of the final demand curve established for the <b>base auction</b>, calculated in accordance with subsection 2(1)(a)(ii).</p> <p>(e) calculate, the amount of <b>capacity</b> that, if withheld, will raise the clearing price from <math>y_{ip} / 1.1</math> to <math>y_{ip}</math> using the formula:</p> $w_2 = 0.1/1.1n \times y_{ip}$ <p>Where:</p> <p><math>w_2</math> means the amount of <b>capacity</b> in MW, if withheld, will raise the clearing price from <math>y_{ip} / 1.1</math> to <math>y_{ip}</math>;</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>, determined in subsection 2(1)(a); and</p> <p><i>n</i> means the slope below the inflection point of the final demand curve established for the <b>base auction</b>.</p> <p>(f) calculate the average of the <b>capacity</b> referred to in subsections 2(1)(c) and 2(1)(d) using the formula:</p> $w = (w_1 + w_2)/2 = (0.1/2m + 0.1/2.2n) \times y_{ip}$ <p>Where:</p> <p><i>w</i> means the average of the <b>capacity</b> in MW referred to in subsections 2(1)(d) and 2(1)(e) and is the minimum amount of <b>capacity</b> in MW to be withheld above and below the inflection point to effect a 10% change in the clearing price;</p> <p><math>w_1</math> means the value in MW calculated in subsection 2(1)(a);</p> <p><math>w_2</math> means the value in MW calculated in subsection 2(1)(b);</p> <p><i>m</i> means the slope above the inflection point of the final demand curve established for the <b>base auction</b>, calculated in accordance with subsection 2(1)(a)(ii);</p> <p><i>n</i> means the slope of the final demand curve below the inflection point; and</p> <p><math>y_{ip}</math> means the price corresponding to the inflection point on the final demand curve for the <b>base auction</b>, determined in subsection 2(1)(a);</p> <p>(g) calculate the minimum amount of <b>capacity</b> that a <b>person</b> must have under its offer</p>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>control to withhold the amount of <b>capacity</b> calculated in subsection 2(1)(f) from the capacity market without sustaining any financial loss, using the following steps:</p> <p>(i) determine the amount of <b>capacity</b> under the offer control of a <b>person</b> that, if the amount calculated in 2(1)(f) is economically withheld from the capacity market, that <b>person</b> would earn revenue from the capacity market that is no less than the amount the <b>person</b> would earn absent of the withholding, using the formula:</p> $1.1 \times p \times (q - w) \geq p \times q$ <p>Where:</p> <p><i>q</i> means the amount of <b>capacity</b>, in MW referred to in subsection 2(1)(g), held by a <b>person</b> and its associates, as associate is described in the <i>Fair, Efficient, and Open Competition Regulation</i>;</p> <p><i>p</i> means the market clearing price absent of the withholding; and</p> <p><i>w</i> means the amount of <b>capacity</b> in MW referred to in subsection 2(1)(f);</p> <p>(ii) determine the minimum amount of <b>capacity</b> referred to in subsection 2(1)(g), using the formula:</p> $q = 11 \times \{(0.1/2m + 0.1/2.2n) \times y_{ip}\}$ <p>Where:</p> <p><i>q</i> means the minimum amount of <b>capacity</b>, in MW referred to in subsection 2(1)(g), held by a <b>person</b> and its associates, as associate is described in the <i>Fair, Efficient, and Open Competition Regulation</i>;</p> <p><i>m</i> means the slope above the inflection point of the final demand curve established for the <b>base auction</b> in subsection 2(1)(b);</p> <p><i>n</i> means the slope of the final demand curve below the inflection point; and</p> <p><i>y<sub>ip</sub></i> means the price corresponding to the inflection point on the final demand curve established for the <b>base auction</b>.</p>	
2	(2)	<p>The <b>ISO</b> must identify those <b>persons</b> that have offer control over an amount of <b>capacity</b> that is greater than or equal to the amount of <b>capacity</b> calculated in subsection 2(1)(g), where <b>capacity</b> is measured by <b>uniform capacity values</b>, excluding such <b>capacity</b> that is <b>new capacity</b> or incremental capacity.</p>	

Section	Subsection	Proposed language	Stakeholder comments
2	(3)	<p>The <b>ISO</b> must, in accordance with the timelines established in the <i>Capacity Market Auction Guidelines</i>:</p> <ul style="list-style-type: none"> <li>(a) publish the minimum amount of <b>capacity</b> identified in subsection 2(1)(g); and</li> <li>(b) notify a <b>person</b> that has been identified in subsection 2(2) as having market power.</li> </ul>	
		<b>Offer price cap</b>	
3		<p>Subject to subsection 4, a <b>person</b> that has received a notification in accordance with subsection 2(3)(b) that they have market power must, with respect to an asset under the <b>offer control</b> of such <b>person</b>, except for <b>new capacity</b>, refurbished capacity, or incremental capacity, submit an <b>offer</b> in a <b>base auction</b> at or below an <b>offer price cap</b> as follows:</p> <ul style="list-style-type: none"> <li>(a) where the price cap for the <b>base auction</b> is set at a multiple of net-CONE in accordance with Section 207.3 of the <b>ISO rules, Shape of Demand Curve</b>, the <b>offer price cap</b> is an amount that is 80% of the net-CONE; or</li> <li>(b) where the price cap for the <b>base auction</b> is set at a multiple of gross-CONE in accordance with Section 207.3 of the <b>ISO rules, Shape of Demand Curve</b> the <b>offer price cap</b> is an amount that is 80% of the ratio between the multiple of gross-CONE and the multiple of net-CONE specified in Section 207.3 of the <b>ISO rules, Shape of Demand Curve</b> multiplied by gross-CONE.</li> </ul>	
		<b>Asset-specific offer price cap</b>	
4	(1)	<p>A <b>person</b> that has received a notification in accordance with subsection 2(3)(b) as having market power may submit to the <b>ISO</b>, in the form and manner the <b>ISO</b> specifies, a request for an asset-specific offer price cap to offer <b>capacity</b> from an asset under the <b>offer control</b> of such <b>person</b>, except for <b>new capacity</b>, refurbished capacity or incremental capacity, above the <b>offer price cap</b> established in subsection 4.</p>	<p>The UCA is extremely concerned that the asset specific price cap would consistently set the clearing price of the capacity market. Has the AESO done further simulations to determine how often the asset specific price cap on coal generation assets could drive up prices for consumers in the province?</p> <p>This reinforces the need for proper scrutiny on the costs submitted to establish the offer specific price cap. There should be a submission of costs to an independent third party such as the AUC and proper process should be followed to ensure costs are prudent and reasonable.</p>

Section	Subsection	Proposed language	Stakeholder comments
4	(2)	<p>A <b>person</b> requesting an asset-specific price cap, in accordance with subsection 4(1), must submit to the <b>ISO</b> the following:</p> <ul style="list-style-type: none"> <li>(a) the asset to which the asset-specific price cap request applies;</li> <li>(b) avoidable costs of the asset for the <b>obligation period</b>;</li> <li>(c) any costs necessary for the <b>ISO</b> to calculate the energy and ancillary services offset in accordance with subsection 4(4)(a); and</li> <li>(d) an attestation from a corporate officer of the <b>legal owner</b> that has <b>offer control</b> over the asset that the information provided pursuant to subsections 4(2)(b) and 4(2)(c) are complete and accurate.</li> </ul>	
4	(3)	<p>The <b>ISO</b> may, with respect to the avoidable costs submitted pursuant to subsection 4(2)(b), exclude costs items that are unreasonable.</p>	
4	(4)	<p>The <b>ISO</b> must, when a request is made for an asset-specific price cap under subsection 4(1)(a):</p> <ul style="list-style-type: none"> <li>(a) calculate the energy and ancillary services offset, as applicable, using the methodology set out in Section 206.11 of the <b>ISO rules, Energy and Ancillary Services Offset for Assets</b> for the asset to which the request for the asset-specific offer price cap applies; and</li> <li>(b) subtract the energy and ancillary services offset referred to in subsection 4(4)(a) from the avoidable costs submitted pursuant to subsection 4(2)(b) that have not been excluded by the <b>ISO</b> pursuant to subsection 4(3).</li> </ul>	
4	(5)	<p>The <b>ISO</b> must, if it determines the amount calculated in subsection 4(4)(b) is greater than the <b>offer</b> price cap referred to in subsection 3, provide an asset-specific price cap equal to the amount determined in subsection 4(4)(b) to the <b>person</b> that submitted the asset-specific price cap request under subsection 4(1)(a).</p>	
4	(6)	<p>A <b>person</b> must, if the <b>person</b> has been provided an asset-specific offer price cap in accordance with subsection 4(5), submit an <b>offer</b> in the <b>base auction</b> at a price equal to or below the asset-specific <b>offer</b> price cap for the <b>capacity</b> from an asset referred to in</p>	

Section	Subsection	Proposed language	Stakeholder comments
		subsection 4(2)(a).	
4	(7)	A <b>person</b> must, if the <b>person</b> does not receive an asset-specific price cap pursuant to subsection 4(5), submit an <b>offer</b> in the <b>base auction</b> at or below the <b>offer</b> price cap established in subsection 3 for the <b>capacity</b> from an asset referred to in subsection 4(2)(a).	

**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 the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> relates to the capacity market and why or why not	The UCA agrees that the proposed ISO Rule-Section 206.7 relates to the capacity market as it gives the ISO the authority to modify the bid price of operating blocks for participants who have market power.
2	whether you agree that the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> and whether, in your view, the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> meets the objective or purpose	See concerns addressed above.
4	how, in your view, the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> affects the performance of the capacity market and the electricity market	The UCA believes that this may be considered somewhat of a tradeoff. Energy market mitigation ensures a fair market to all participants regardless of market share. However, excessive mitigation could have an impact on competitive market forces.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i>	The UCA has no further comment regarding the analysis supporting the proposed ISO Rule – Section 206.7.

Item #		Stakeholder comments
6	whether you agree with the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	UCA does not agree for the reason stated above.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 206.7, <i>Capacity Market Mitigation</i>	There are no alternatives the UCA is proposing at this time.
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	<p>The UCA is extremely concerned that the asset specific price cap would consistently set the clearing price of the capacity market. Has the AESO done further simulations to determine how often the asset specific price cap on coal generation assets could drive up prices for consumers in the province?</p> <p>This reinforces the need for proper scrutiny on the costs submitted to establish the offer specific price cap. There should be a submission of costs to an independent third party such as the AUC and proper process should be followed to ensure costs are prudent and reasonable.</p> <p>The cost may not be reasonable for the cited reasons.</p>
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	If the cost is too high the public interest is not supported.

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 206.7, Capacity Market Mitigation.***



## Proposed Amended ISO rule – Section 201.4, *Energy Market Submission Methods and Coordination*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki/Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate (UCA)			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

***Please provide comments relating to the subsection of the proposed amendments to the rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Requirements</b> <b>Submission Method</b>	
2	(1)	Unless otherwise set out in the <b>ISO rules</b> , a <b>pool participant</b> must, in the manner the <b>ISO</b> specifies, submit any information required under sections 201 through 206 of the <b>ISO rules</b> , including <b>offers, bids</b> , operating constraints, <b>net settlement instructions</b> , <b>acceptable operational reasons</b> and reasons for restatements, through the Energy Trading System.	
2	(2)	The <b>ISO</b> must make submission procedures available and give reasonable notice regarding any changes to the Energy Trading System.	
		<b>Unable to Submit through the Energy Trading System</b>	
3	(1)	Notwithstanding subsection 2(1), if a <b>pool participant</b> is unable to submit information through the Energy Trading System because the <b>pool participant's</b> computer systems are unavailable, then the <b>pool participant</b> must submit mandatory restatements to the <b>ISO</b> by telephone.	If the pool participant must inform the ISO by telephone if the Energy Trading System is down, then the Rule should provide a telephone number. The telephone number could be included in this section or in the information document pertaining to this Rule.

**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 amended ISO rule – Section 201.4, <i>Energy Market Submission Methods and Coordination</i> relates to the capacity market and why or why not	The UCA agrees with the amended ISO rule – Section 201.4. It appropriately enforces the submission process.
2	whether you agree that amended ISO rule – Section 201.4, <i>Energy Market Submission Methods and Coordination</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of amended ISO rule – Section 201.4, <i>Energy Market Submission Methods and Coordination</i> and whether, in your view, Section 201.4, <i>Energy Market Submission Methods and Coordination</i> meets the objective or purpose	The UCA agrees.
4	how, in your view, amended ISO rule – Section 201.4, <i>Energy Market Submission Methods and Coordination</i> affects the performance of the capacity market and the electricity market	Section 201.4 details a firm's obligation to submit information, and provides an alternative method of doing so if ETS is unavailable to the consumer.
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – Section 201.4, <i>Energy Market Submission Methods and Coordination</i>	The UCA has no comment.
6	whether you agree with amended ISO rule – Section 201.4, <i>Energy Market Submission Methods and Coordination</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	The UCA agrees.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to amended ISO rule – Section 201.4, <i>Energy Market Submission Methods and Coordination</i>	The UCA does not wish to amend this.
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	The UCA agrees with the proposed energy market submission methods outlined above.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	The UCA agrees, as this rule assists in holding firms accountable for the timely submission of their information.

***Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 201.4, Energy Market Submission Methods and Coordination.***

## Proposed Amended ISO rule – Section 201.5, *Energy Market Block Allocation*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

***Please provide comments relating to the subsection of the proposed amendments to the rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>Requirements</b></p> <p><b>Operating Block Allocation</b></p>	
2	(2)	The ISO must allocate to the <b>pool participant</b> for each generating <b>source asset 7 operating blocks</b> for energy and 1 <b>operating block</b> for <b>dispatch down service</b> .	
2	(3)	The ISO must upon request of the <b>pool participant</b> , allocate to the <b>pool participant</b> for each load <b>sink asset 7 operating blocks</b> for energy.	
2	(4)	<p>The ISO must allocate to the <b>pool participant</b> for each import asset either:</p> <ul style="list-style-type: none"> <li>(a) 1 <b>operating block</b> for energy with a \$0.00 <b>offer</b> price; or</li> <li>(b) 7 <b>operating blocks</b> for energy, such that the <b>offer</b> price may be greater than or equal to \$0.01 per MWh and less than or equal to \$999.99 per MWh.</li> </ul>	<p>It appears that, for both importers and exporters, block allocations by the AESO will require offer/bids at \$0 or above \$0. The UCA believes price should be based on competitive market forces and not ETS limitations. Importers and exporters should have the same block allocations as other pool participants.</p> <p>The UCA would appreciate additional clarity regarding why each import/export asset allocated to a pool participant must have either 1 operating block at a \$0.00 offer or 7 operating blocks greater than \$0 and less than \$999.99 per MWh. The UCA submits that there should not be a different mix of blocks/prices between importer and exporters.</p>
2	(5)	The ISO must allocate to the <b>pool participant</b> for each export asset either:	

Section	Subsection	Proposed language	Stakeholder comments
		(a) 1 <b>operating block</b> for energy with a \$999.99 <b>bid</b> price; or (b) 7 <b>operating blocks</b> for energy, such that the <b>bid</b> price may be greater than or equal to \$0.00 and less than or equal to \$999.98.	

**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 amended ISO rule – Section 201.5, <i>Energy Market Block Allocation</i> relates to the capacity market and why or why not	The UCA agrees with the amended ISO Rule – Section 201.5, however, the UCA submits that there should not be a different mix of blocks/prices between importer and exporters. We seek clarity regarding why each import/export asset allocated to a pool participant must have either 1 operating block at a \$0.00 offer or 7 operating blocks greater than \$0 and less than \$999.99 per MWh.
2	whether you agree that amended ISO rule – Section 201.5, <i>Energy Market Block Allocation</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of amended ISO rule – Section 201.5, <i>Energy Market Block Allocation</i> and whether, in your view, Section 201.5, <i>Energy Market Block Allocation</i> meets the objective or purpose	Please see comments above.
4	how, in your view, amended ISO rule – Section 201.5, <i>Energy Market Block Allocation</i> affects the performance of the capacity market and the electricity market	ISO rule – Section 201.5 details the allocation of energy blocks for the purpose of energy bidding, illustrating asset 7 operating blocks for energy generators and 1 operating block for dispatch down service.
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – Section 201.5, <i>Energy Market Block Allocation</i>	See comments above.
6	whether you agree with amended ISO rule – Section 201.5, <i>Energy Market Block Allocation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	The UCA generally agrees with the rule, however, the UCA submits that there should not be a different mix of blocks/prices between importer and exporters.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to amended ISO rule – Section 201.5, <i>Energy Market Block Allocation</i>	The UCA believes that imports and exports should consist of the same mix of blocks/prices.
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	The cost may not be reasonable owing to the reasons/concerns stated above.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	If the cost is too high the public interest is not supported.



***Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 201.5, Energy Market Block Allocation.***

Proposed Amended ISO rule – Section 202.6, *Adequacy of Supply*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

***Please provide comments relating to the subsection of the proposed amendments to the rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>Requirements</b></p> <p><b>Adequacy Assessments</b></p>	
2		<p>The <b>ISO</b> must, in order to assist in determining whether to cancel a <b>planned outage, delayed forced outage, automatic forced outage, or delist outage</b> under section 306.9 of the <b>ISO rules, Outage Cancellation</b>, assess the <b>adequacy</b> of supply by, at a minimum, completing a supply and load forecast using the peak demand hour of every <b>day</b> for a minimum 2 year period, calculated as the sum of the following:</p> <p>(a) the <b>maximum capability</b> that is associated with <b>offers</b> in the Alberta energy market, from all <b>generating units</b> and <b>aggregated generating facilities</b>, excluding wind and solar <b>aggregated generating facilities</b>;</p> <p>plus</p> <p>(b) the <b>maximum capability</b> that is associated with <b>offers</b> in the Alberta energy market, from load <b>sink assets</b>;</p> <p>plus</p> <p>(c) an estimate of the output from wind or solar <b>aggregated generating facilities</b>;</p> <p>plus</p>	<p>The UCA notes the use of the phrase “load maximum capability” in section 2(e). This term was not referenced throughout CMD 4.0’s proposal or rationale and we are unclear as to how this differs from “maximum capability”. A definition should be provided for this term.</p>

Section	Subsection	Proposed language	Stakeholder comments
		<p>(d) import <b>available transfer capability</b> on <b>interconnections</b> with a program that increases <b>available transfer capability</b>;</p> <p>minus</p> <p>(e) declared <b>generating unit, aggregated generating facility</b>, and load <b>maximum capability</b> derates;</p> <p>minus</p> <p>(f) any capacity of <b>generating units</b> and <b>aggregated generating facilities</b> which are affected by <b>transmission market constraints</b>;</p> <p>minus</p> <p>(g) anticipated <b>generating unit, aggregated generating facility</b>, and load <b>maximum capability</b> derates;</p> <p>minus</p> <p>(h) the daily forecast <b>Alberta internal load</b>;</p> <p>minus</p> <p>(i) <b>operating reserves</b> requirements;</p> <p>plus</p> <p>(j) price responsive load, excluding the <b>maximum capability</b> of a load <b>sink asset</b> referred to in subsection 2(b);</p> <p>plus</p> <p>(k) aggregate <b>planned outage</b> records for load;</p> <p>plus</p> <p>(l) load for <b>demand opportunity service</b>.</p>	
		<p><b>Short Term Adequacy Assessments</b></p>	
3		<p>The <b>ISO</b> must, every hour, assess the short term <b>adequacy</b> of supply by, at a minimum, completing a real time <b>adequacy</b> assessment for each <b>settlement interval</b> of the current</p>	

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>day</b> and for the 6 remaining <b>days</b> of the <b>forecast scheduling period</b> on the <b>day</b> preceding that current <b>day</b>, calculated as the sum of the following:</p> <ul style="list-style-type: none"> <li>(a) <b>available capability</b> that is associated with <b>offers</b> in the Alberta energy market, from all load <b>sink assets</b>, <b>generating units</b>, and <b>aggregated generating facilities</b>, excluding wind and solar <b>aggregated generating facilities</b> with a start-up time less than or equal to 1 hour or with a submitted start time at or before the period being assessed;</li> <p>plus</p> <li>(b) estimated output from wind or solar <b>aggregated generating facilities</b>;</li> <p>plus</p> <li>(c) estimated amount of price responsive load, excluding the <b>available capability</b> of a load <b>sink asset</b> referred to in subsection 3(a);</li> <p>plus</p> <li>(d) estimated amount of <b>demand opportunity service</b> load that is to be curtailed;</li> <p>plus</p> <li>(e) on-site generation that supplies behind-the-fence load and submits <b>available capability</b> as a net-to-grid value;</li> <p>plus</p> <li>(f) import <b>available transfer capability</b> on the <b>interties</b>;</li> <p>minus</p> <li>(g) the peak forecast load from the day-ahead forecast of <b>Alberta internal load</b>;</li> <p>minus</p> <li>(h) the <b>ISO's spinning reserve</b> requirement;</li> <p>minus</p> <li>(i) constrained down generation, with the exception of constrained down wind or solar <b>aggregated generating facilities</b>.</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<b>Resource Adequacy Standard Assessment</b>	
4		<p>The <b>ISO</b> must, if the <b>ISO</b> determines that:</p> <ul style="list-style-type: none"> <li>(a) the normalized expected unserved energy in 1 year on average exceeds the <b>resource adequacy standard</b>; and</li> <li>(b) the percentage of the total load on the <b>interconnected electric system</b> in a year in MWh that is not expected to be served indicates a need for the <b>ISO</b> to consider taking preventative action,</li> </ul> <p>undertake further studies to verify the likely cause, magnitude and timing of the potential <b>adequacy</b> issue.</p>	
		<b>Resource Adequacy Standard Threshold Actions</b>	
5		<p>The <b>ISO</b> may, if the <b>resource adequacy standard</b> threshold is exceeded and the <b>ISO</b> deems that a potential <b>adequacy</b> issue requires preventative action, procure any 1 or more of the following services:</p> <ul style="list-style-type: none"> <li>(a) load shed;</li> <li>(b) self-supply and back-up generation that would not otherwise be available to participate in the energy market; and</li> <li>(c) emergency portable generation;</li> </ul> <p>being <b>resource adequacy standard</b> threshold actions.</p>	
		<b>Procurement of Resource Adequacy Standard Threshold Actions</b>	
6		<p>The <b>ISO</b> must procure <b>resource adequacy standard</b> threshold actions using established <b>ISO</b> procurement procedures and, where possible and practical, in a manner that encourages competition.</p>	
		<b>Recovery of Resource Adequacy Standard Threshold Actions Costs</b>	

Section	Subsection	Proposed language	Stakeholder comments
7	(1)	The <b>ISO</b> must, if it procures <b>resource adequacy standard</b> threshold actions, establish a methodology that results in the recovery of the costs of <b>resource adequacy standard</b> threshold actions.	
7	(2)	The <b>ISO</b> must institute a charge to load, primarily directed to the <b>pool participants</b> who consume energy during higher priced hours, which recovers the costs of <b>resource adequacy standard</b> threshold actions.	

**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 amended ISO rule – Section 202.6, <i>Adequacy of Supply</i> relates to the capacity market and why or why not	Yes, this rule indicates how supply adequacy is assessed. A capacity market aims to provide a long-run price signal to motivate generator investment. Generator investment is needed to secure adequate installed capacity to serve Albertans.
2	whether you agree that amended ISO rule – Section 202.6, <i>Adequacy of Supply</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of amended ISO rule – Section 202.6, <i>Adequacy of Supply</i> and whether, in your view, Section 202.6, <i>Adequacy of Supply</i> meets the objective or purpose	Yes.
4	how, in your view, amended ISO rule – Section 202.6, <i>Adequacy of Supply</i> affects the performance of the capacity market and the electricity market	The rule allows for assessing supply certainty in the capacity market.
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – Section 202.6, <i>Adequacy of Supply</i>	No views.
6	whether you agree with amended ISO rule – Section 202.6, <i>Adequacy of Supply</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	Yes.
7	whether you would suggest any alternatives to amended ISO rule – Section 202.6, <i>Adequacy of Supply</i>	No.

Item #		Stakeholder comments
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	



***Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 202.6, Adequacy of Supply.***

## Stakeholder Comment Matrix – September 7, 2018



### Proposed Amended ISO rule – Section 203.4, *Delivery Requirements for Energy*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycski / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycski@gov.ab.ca">Nola.ruzycski@gov.ab.ca</a> / douglas.simpson@gov.ab.ca

***Please provide comments relating to the subsection of the proposed amendments to the rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 203.4 applies to: <ul style="list-style-type: none"> <li>(a) a <b>pool participant</b> with a generating <b>source asset</b> that has an associated current <b>offer</b> when participating in the energy market; and</li> <li>(b) a <b>pool participant</b> with a load <b>sink asset</b> that has an associated current <b>offer</b> when participating in the energy market; and</li> <li>(c) <b>the ISO.</b></li> </ul>	
		<b>Requirements</b> <b>Compliance Responsibilities</b>	
2	(1)	A <b>pool participant</b> may only deliver energy to the <b>interconnected electric system</b> from a generating <b>source asset</b> pursuant to a <b>dispatch</b> or a <b>directive</b> the <b>ISO</b> issues.	
2	(2)	A <b>pool participant</b> must: <ul style="list-style-type: none"> <li>(a) operate its generating <b>source assets</b> or load <b>sink assets</b>, or cause them to be operated; and</li> <li>(b) respond to <b>dispatches</b> from the <b>ISO</b>,</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		using <b>good electric industry practice</b> , including the design, implementation and use of reasonable <b>dispatch</b> protocols, together with personnel and software systems designed to detect and address errors or omissions in a timely fashion.	
		<b>Steady State Compliance</b>	
3	(1)	Subject to subsection 3(3), a <b>pool participant</b> must not, during <b>steady state</b> , vary the average MW it delivers from a generating <b>source asset</b> or consumes from a load <b>sink asset</b> , in any <b>10 minute clock period</b> from the <b>dispatch</b> MW by more than the <b>allowable dispatch variance</b> .	
3	(2)	Subject to subsection 3(3), a <b>pool participant</b> that is supplying <b>regulating reserve</b> from a generating <b>source asset</b> or a load <b>sink asset</b> must ensure that the MW delivered in any <b>10 minute clock period</b> is: <ul style="list-style-type: none"> <li>(a) not less than the <b>dispatch</b> MW minus the <b>allowable dispatch variance</b>; and</li> <li>(b) not greater than the <b>dispatch</b> MW plus the <b>regulating reserve</b> plus the <b>allowable dispatch variance</b>.</li> </ul>	
3	(3)	A <b>pool participant</b> , after a load <b>sink asset</b> that is subject to a <b>dispatch</b> for 0 MW has met the requirements for the first <b>10 minute clock period</b> as described in subsections 3(1) and 3(2), is no longer subject to the requirements of subsections 3(1) and 3(2).	
		<b>Ramping Compliance</b>	
4	(1)	A <b>pool participant</b> must move the output of a generating <b>source asset</b> or the consumption of a load <b>sink asset</b> which is: <ul style="list-style-type: none"> <li>(a) the subject of a <b>dispatch</b>; and</li> <li>(b) <b>ramping</b></li> </ul> towards the MW level indicated in that <b>dispatch</b> within 10 minutes of the time specified in the <b>dispatch</b> but not prior to the time specified in the <b>dispatch</b> .	
4	(2)	A <b>pool participant</b> must ensure that each generating <b>source asset</b> or load <b>sink asset</b> reaches the MW specified in an energy market <b>dispatch</b> , plus or minus the <b>allowable dispatch variance</b> for that generating <b>source asset</b> or load <b>sink asset</b> in:	

Section	Subsection	Proposed language	Stakeholder comments
		<ul style="list-style-type: none"> <li>(a) no longer than the period of time calculated as follows:               <ul style="list-style-type: none"> <li>(i) divide the change in <b>dispatch</b> MW by the <b>ramp rate</b> the <b>pool participant</b> submits;</li> <li>(ii) add 40% of the time calculated in subsection 4(2)(a)(i) or 5 minutes, whichever is greater; and</li> <li>(iii) add the 10 minutes referred to in subsection 4(1); and</li> </ul> </li> <li>(b) no sooner than the period of time calculated as follows:               <ul style="list-style-type: none"> <li>(i) divide the change in <b>dispatch</b> MW by the <b>ramp rate</b> the <b>pool participant</b> submits; and</li> <li>(ii) subtract 40% of the time calculated in subsection 4(2)(b)(i) or 5 minutes, whichever is greater.</li> </ul> </li> </ul>	
		<b>Operational Deviation</b>	
5	(1)	A <b>pool participant</b> must, if a generating <b>source asset</b> or load <b>sink asset</b> experiences an <b>operational deviation</b> in excess of 50 MW, verbally inform the <b>ISO</b> as soon as practical of the occurrence of the <b>operational deviation</b> and provide a description of the cause if known.	Will AESO include the ISO telephone number here or in the Information Document?
5	(2)	A <b>pool participant</b> must inform the <b>ISO</b> of the information required under subsection 5(1) on a telephone line the <b>ISO</b> designates, which must contain a voice recording system.	
5	(3)	A <b>pool participant</b> must, if an <b>operational deviation</b> extends for 20 minutes or longer, submit an <b>available capability</b> restatement or MW restatement for the generating <b>source asset</b> or load <b>sink asset</b> that represents the operational capability of the generating <b>source asset</b> or load <b>sink asset</b> , and must do so no later than 20 minutes after the commencement of the <b>operational deviation</b> .	
		<b>Exceptions to Non-Compliance</b>	
6		Notwithstanding the provisions set out in subsections 3, 4 and 5, the <b>ISO</b> must not determine that a <b>pool participant</b> is non-compliant with a <b>dispatch</b> for a generating <b>source asset</b> or load <b>sink asset</b> if the <b>pool participant</b> has met its responsibilities as set	

Section	Subsection	Proposed language	Stakeholder comments
		<p>out in subsection 2 and 1 or more of the following circumstances occur:</p> <ul style="list-style-type: none"> <li>(a) the generating <b>source asset</b> or load <b>sink asset</b> is <b>ramping</b> into position to provide <b>operating reserve</b> in response to a <b>dispatch</b> in the 15 minutes before the time indicated in that <b>dispatch</b>;</li> <li>(b) the generating <b>source asset</b> is operating below the <b>minimum stable generation</b> level indicated in the Energy Trading System, but only if that generating <b>source asset</b> is: <ul style="list-style-type: none"> <li>(i) synchronizing and its <b>available capability</b> the <b>pool participant</b> submitted is equal to its <b>minimum stable generation</b> and it has received a <b>dispatch</b> for that quantity, in MW;</li> <li>(ii) going off line and its <b>available capability</b> the <b>pool participant</b> submitted is equal to 0 and it has received a <b>dispatch</b> for that quantity, in MW;</li> <li>(iii) unable to follow the <b>ramp rate</b> the <b>pool participant</b> submitted when its output is being increased to its <b>minimum stable generation</b> and the <b>pool participant</b> has submitted a verbal plan to the <b>ISO</b> indicating a proposal for <b>ramping to minimum stable generation</b>, which verbal plan must provide an estimate of the time required to achieve the <b>ramp rate</b> and be updated for deviations of greater than 30 minutes or 50 MW; or</li> <li>(iv) stopped at an output level not identified in the verbal plan referenced in subsection 6(1)(b)(iii) above, but which is below <b>minimum stable generation</b> for more than 30 minutes for an operational reason and the <b>pool participant</b> has submitted a restatement of the <b>available capability</b> accordingly;</li> </ul> </li> <li>(c) the generating <b>source asset</b> is responding to abnormal frequency through automatic <b>governor</b> or <b>governor system</b> action;</li> <li>(d) the load <b>sink asset</b> is responding to abnormal frequency;</li> <li>(e) an <b>operational deviation</b> has occurred and the <b>pool participant</b> has complied with subsection 5; and</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		(f) energy is being delivered to the <b>interconnected electric system</b> from a generating <b>source asset</b> or load <b>sink asset</b> while it is being tested or commissioned or both, in accordance with applicable provisions of the <b>ISO rules</b> .	
		<b>Concurrent Energy and Operating Reserve Requirements</b>	
7	(1)	<p>The <b>ISO</b> must, when assessing a <b>pool participant's</b> compliance with section 205.2 of the <b>ISO rules</b>, <i>Issuing Dispatches and Directives for Operating Reserve</i> in a situation where there are concurrent energy and <b>spinning reserve</b> requirements or energy and <b>supplemental reserve</b> requirements, consider the time of the energy <b>dispatch</b> to be:</p> <ul style="list-style-type: none"> <li>(a) 15 minutes after the <b>directive</b> for <b>spinning reserve</b> or <b>supplemental reserve</b> in the case of subsection 4(3); and</li> <li>(b) the time the <b>pool asset</b> is providing the amount of <b>real power</b> described in of section 205.5 of the <b>ISO rules</b>, <i>Spinning Reserve Technical Requirements and Performance Standards</i>, or section 205.6 of the <b>ISO rules</b>, <i>Supplemental Reserve Technical Requirements and Performance Standards</i>, in the case of subsection 4(4);</li> <li>(c) the later of 15 minutes after the <b>directive</b> for <b>spinning reserve</b> or <b>supplemental reserve</b> or the time of the <b>dispatch</b> in the case of subsection 4(5); and</li> <li>(d) the time the <b>pool asset</b> is providing the amount of <b>real power</b> described in of section 205.5 of the <b>ISO rules</b>, <i>Spinning Reserve Technical Requirements and Performance Standards</i>, or section 205.6 of the <b>ISO rules</b>, <i>Supplemental Reserve Technical Requirements and Performance Standards</i>, in the case of subsection 4(6).</li> </ul>	
7	(2)	<p>The <b>ISO</b> must, when assessing a <b>pool participant's</b> compliance with section 205.2 of the <b>ISO rules</b>, <i>Issuing Dispatches and Directives for Operating Reserve</i> in a situation where there are concurrent energy and <b>spinning reserve</b> requirements or energy and <b>supplemental reserve</b> requirements, consider the MW quantity to be the energy <b>dispatch</b> quantity plus the <b>spinning reserve</b> or <b>supplemental reserve</b> quantity while the <b>directive</b> remains in effect.</p>	

Please provide your comments on the following (as set out in AUC Rule 017 s. 13(b-1)):

Comment [A1]: Needs to be completed.

Item #		Stakeholder comments
1	whether you agree that amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i> relates to the capacity market and why or why not	No, this rule does not relate to the capacity market. This rule relates to the energy market and is grouped in the Proposed New and Amended ISO Rules for the Energy Market.
2	whether you agree that amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i> and whether, in your view, Section 203.4, <i>Delivery Requirements for Energy</i> meets the objective or purpose	Yes.
4	how, in your view, amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i> affects the performance of the capacity market and the electricity market	The rule does not affect the capacity market. Specifying ramping compliance is beneficial for the electricity market.
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i>	No comment.
6	whether you agree with amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	Yes.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to amended ISO rule – Section 203.4, <i>Delivery Requirements for Energy</i>	No.
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	Compliance rules are clear.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	Compliance rules are clear, the public would benefit from a reliable supply of electricity; however if the cost is too high the public interest is not supported.



***Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 203.4, Delivery Requirements for Energy.***

## Proposed New ISO rule – Section 203.5, *Energy Market Mitigation*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		Section 203.5 applies to: <ul style="list-style-type: none"> <li>(a) a <b>pool participant</b> that submit <b>offers</b> in the energy market for a <b>source asset</b> ;</li> <li>(b) the <b>legal owner</b> of a <b>generating unit</b> or <b>aggregated generating facility</b>; and</li> <li>(c) the <b>ISO</b>.</li> </ul>	
		<b>Requirements</b> <b>Expected Supply Cushion for Mitigation</b>	
2	(1)	The <b>ISO</b> must: <ul style="list-style-type: none"> <li>(a) publish the method for calculating the expected supply cushion on the AESO website; and</li> <li>(b) provide 120 days' notice notice to <b>pool participant</b> before changing to the method for calculating the expected supply cushion published in accordance with subsection 2(1)(a).</li> </ul>	
2	(2)	The <b>ISO</b> must, for each <b>settlement interval</b> :	

Section	Subsection	Proposed language	Stakeholder comments
		<ul style="list-style-type: none"> <li>(a) calculate the expected supply cushion using the method published in accordance with subsection 2(1)(a);</li> <li>(b) publish the expected supply cushion on the AESO website prior to the <b>settlement interval</b>;</li> <li>(c) update the expected supply cushion as soon as reasonably practicable upon a change to 1 or more of the inputs to the calculation of the expected supply cushion;</li> <li>(d) select a value of the expected supply cushion observed during the two hours immediately prior to the <b>settlement interval</b>;</li> <li>(e) publish the value of the expected supply cushion which is selected for each <b>settlement interval</b> under subsection 2(2)(d) as soon as reasonably practicable after such selection is made.</li> </ul>	
		<b>Asset-Specific Cost Information –Generating Unit or Aggregated Generating Facility</b>	
3	(1)	<p>A <b>pool participant</b> must submit to the <b>ISO</b>, in the manner the <b>ISO</b> specifies, the following cost information related to the short-run marginal costs for a thermal <b>generating unit or aggregated generating facility</b>:</p> <ul style="list-style-type: none"> <li>(a) heat rate;</li> <li>(b) if the <b>source asset</b>'s fuel is not natural gas, fuel cost;</li> <li>(c) financial exposure to greenhouse gas emissions costs; and</li> <li>(d) any further cost information the <b>ISO</b> specifies.</li> </ul>	<p>An officer's attestation certificate is not required as part of the submittal of asset-specific cost information and there is no scrutiny or intervention opportunities available to challenge the integrity and accuracy of the information provided. As with most cost related requirements, there should be some oversight to ensure that the submissions are prudent and reasonable.</p> <p>This reinforces the need for proper scrutiny on the costs submitted to support the asset specific cost information. There should be a submission of costs to an independent third party such as the AUC and proper process should be followed to ensure costs are prudent and reasonable.</p>
3	(2)	<p>A <b>pool participant</b> must, in relation to the cost information submitted pursuant to subsection 3(1):</p> <ul style="list-style-type: none"> <li>(a) submit the cost information to the <b>ISO</b>: <ul style="list-style-type: none"> <li>(i) for a <b>generating unit or aggregated generating facility</b> that has energized and commissioned, on or before a date the <b>ISO</b> specifies; or</li> <li>(ii) for a <b>generating unit or aggregated generating facility</b> that has not completed energization and <b>commissioning</b>, before the energization and <b>commissioning</b> of such <b>generating unit or aggregated</b></li> </ul> </li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p style="text-align: center;"><b>generating facility.</b></p> <ul style="list-style-type: none"> <li>(b) determine the values of such cost information assuming that the <b>generating unit</b> or <b>aggregated generating facility</b> is operating under normal operating conditions at <b>maximum capability</b>; and</li> <li>(c) submit updated cost information to the <b>ISO</b> as soon as reasonably practicable upon becoming aware of any material change in the cost information submitted in accordance with subsection 3(1).</li> <li>(d) an attestation by a corporate officer of the <b>pool participant</b> that the cost information provided pursuant to subsection 3(1) is complete and accurate.</li> </ul>	
3	(3)	The <b>ISO</b> may, with respect to cost information submitted pursuant to subsection 3(1), exclude costs determined by the <b>ISO</b> to be unreasonable.	
3	(4)	The <b>ISO</b> must select alternate values for the cost information submitted pursuant to subsection 3(1) if such costs have been excluded pursuant to subsection 3(3).	
3	(5)	<p>The <b>ISO</b> must:</p> <ul style="list-style-type: none"> <li>(a) identify the current carbon price from the appropriate public authority;</li> <li>(b) identify the natural gas price for each <b>day</b> on a day-ahead basis, or as close to a day-ahead basis as reasonably practicable; and</li> <li>(c) estimate the variable operations and maintenance costs for a <b>generating unit</b> or <b>aggregated generating facility</b> on a class-specific basis.</li> </ul>	
		<b>Asset-Specific Reference Price – Generating Unit or Aggregated Generating Facility</b>	
4	(1)	<p>The <b>ISO</b> must, using the cost information derived pursuant to subsection 3, calculate an estimated short-run marginal cost for producing power, measured in dollars per MWh, for each <b>generating unit</b> or <b>aggregated generating facility</b> for each <b>settlement interval</b> as a sum of the following:</p> <ul style="list-style-type: none"> <li>(a) the heat rate multiplied by the fuel price, if applicable;</li> <li>(b) the exposure to greenhouse gas emissions costs multiplied by the carbon price from the appropriate public authority, if applicable; and</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		(c) the estimated variable operations and maintenance cost.	
4	(2)	<p>The <b>ISO</b> must, using the estimated short-run marginal costs derived pursuant to subsection 4(1), set the asset-specific reference price for each <b>generating unit or aggregated generating facility</b> for each <b>settlement interval</b> as an amount equal to:</p> <ul style="list-style-type: none"> <li>(a) the estimated short run marginal cost multiplied by 3, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 1,000 MW or greater;</li> <li>(b) the estimated short run marginal cost multiplied by 6, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 250 MW or greater and less than 1,000 MW; and</li> <li>(c) the maximum permissible price for an <b>offer</b> made under section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is less than 250 MW.</li> </ul>	
		<b>Asset-Specific Reference Price – Prescribed Non-Thermal Generating Source Assets Capable of Storing Energy</b>	
5	(1)	The <b>ISO</b> may prescribe a set of non-thermal generating <b>source assets</b> to which this subsection 5 is applicable, provided that each generating <b>source asset</b> is capable of storing its fuel.	
5	(2)	The <b>ISO</b> must, if the <b>ISO</b> prescribes a set of generating <b>source assets</b> in accordance with subsection 5(1) publish the list of such prescribed generating <b>source assets</b> on the AESO website.	
5	(3)	<p>The <b>ISO</b> must, subject to subsection 5(4), set the asset-specific reference price for generating <b>source assets</b> prescribed pursuant to subsection 5(1) for each <b>settlement interval</b> as an amount equal to:</p> <ul style="list-style-type: none"> <li>(a) the 30-day rolling average <b>pool price</b> most recently published by the <b>ISO</b> multiplied by 3, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 1,000 MW or greater;</li> <li>(b) the 30-day rolling average <b>pool price</b> most recently published by the <b>ISO</b> multiplied by 6, if the expected supply cushion selected for the <b>settlement</b></li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p><b>interval</b> under subsection 2(2)(d) is 250 MW or greater and less than 1,000 MW; and</p> <p>(c) the maximum permissible price for an <b>offer</b> made under section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)( d) is less than 250 MW.</p>	
5	(4)	<p>Notwithstanding subsection 5(3), if a <b>pool participant</b>, for any generating <b>source asset</b> prescribed pursuant to subsection 5(1) for a <b>settlement interval</b>, has satisfied the asset-specific requirements for participation in the <b>ancillary services</b> market referred to in subsection 5(5), then the <b>ISO</b> must, set the asset-specific reference price for such generating <b>source asset</b> for the <b>settlement interval</b> as an amount equal to the maximum permissible price for an <b>offer</b> made under Section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>.</p>	
5	(5)	<p>The <b>ISO</b> must:</p> <p>(a) publish the asset-specific requirements for participation in the <b>ancillary services</b> market on the AESO website; and</p> <p>(b) provide 120 days' notice to <b>pool participants</b> before changing to the asset-specific requirements published in accordance with subsection 5(5)(a).</p>	
		<p><b>Asset-Specific Reference Price – Import Source Assets</b></p>	
6	(1)	<p>The <b>ISO</b> must set the asset-specific reference price for each import <b>source asset</b> for each <b>settlement interval</b> as an amount equal to:</p> <p>(a) <math>MidC(on\ peak) + \min\{100, 3 * MidC(on\ peak)\}</math>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 1,000 MW or greater;</p> <p>(b) <math>MidC(on\ peak) + \min\{100, 6 * MidC(on\ peak)\}</math>, if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(2)(d) is 250 MW or greater and less than 1,000 MW;</p> <p>where <math>MidC(on\ peak)</math> is the day-ahead, on-peak price in the Mid-Columbia market for delivery on the same <b>day</b> as the energy market in Alberta;</p> <p>or</p>	

Section	Subsection	Proposed language	Stakeholder comments
		(c) the maximum permissible price for an <b>offer</b> made under section 203.1 of the <b>ISO rules</b> , <i>Offers and Bids for Energy</i> , if the expected supply cushion selected for the <b>settlement interval</b> under subsection 2(1)(d) is less than 250 MW.	
		<b>Asset-Specific Reference Price – Limitations and Exemptions</b>	
7	(1)	Notwithstanding subsections 4, 5 and 6, the <b>ISO</b> must not set the asset-specific reference price for any <b>source asset</b> for any <b>settlement interval</b> as an amount: <ul style="list-style-type: none"> <li data-bbox="505 581 844 613">(a) less than \$25/MWh; or</li> <li data-bbox="505 630 1481 688">(b) greater than the maximum permissible price for an <b>offer</b> made under section 203.1 of the <b>ISO rules</b>, <i>Offers and Bids for Energy</i>.</li> </ul>	
7	(2)	A <b>pool participant</b> may request that the <b>ISO</b> provide a variance from any asset-specific reference price determined pursuant to subsections 4, 5, or 6.	
7	(3)	The <b>ISO</b> may, upon receiving a request pursuant to subsection 7(2), assign a different asset-specific reference price determined pursuant to subsections 4, 5, or 6 if the <b>ISO</b> is satisfied that the <b>pool participant</b> would not be able to reasonably recover the short run marginal costs and cycling costs of the <b>source asset</b> within the scope of the asset-specific reference price determined pursuant to subsections 4, 5, or 6.	
		<b>Market Power Screen</b>	
8	(1)	The <b>ISO</b> must identify those <b>persons</b> , using the methodology for the calculation of market share offer control described in section 5 of the <i>Fair, Efficient, and Open Competition Regulation</i> , that have offer control over one or more <b>source assets</b> for the purposes of identifying a <b>person</b> as having market power.	
8	(2)	The <b>person</b> identified under subsection 8(1) may submit to the <b>ISO</b> , in the manner the <b>ISO</b> specifies, <b>supply obligations</b> in MW for each <b>settlement interval</b> , at least 2 hours prior to the start of the <b>settlement interval</b> , for the purposes of the expected residual supply index.	
8	(3)	A <b>person</b> who submits <b>supply obligations</b> in accordance with subsection 8(2) must submit a value that is equal to or less than the <b>person's</b> actual <b>supply obligations</b> .	

Section	Subsection	Proposed language	Stakeholder comments
8	(4)	<p>The <b>ISO</b> must, for each <b>person</b> identified under subsection 8(1) and in the <b>offer control information</b> for an <b>operating block</b> in respect of a <b>settlement interval</b>, calculate a value called the expected residual supply index for each <b>settlement interval</b> for the <b>person</b> identified under subsection 8(1) as follows:</p> <ul style="list-style-type: none"> <li>(a) the expected supply from all <b>source assets</b> for the <b>settlement interval</b>;</li> <li>(b) minus the expected supply from all <b>source assets</b> under the offer control of a <b>person</b> identified under subsection 8(1), net of the <b>supply obligations</b> of the <b>person</b> identified under subsection 8(1), for the <b>settlement interval</b>; and</li> <li>(c) divided by expected demand from all <b>sink assets</b> for the <b>settlement interval</b>.</li> </ul>	
8	(5)	<p>The <b>ISO</b> must select the expected residual supply index referenced in subsection 8(1) during the 2 hours immediately prior to the <b>settlement interval</b>.</p>	
8	(6)	<p>The <b>ISO</b> must identify a <b>person</b> with a expected residual supply index of less than 1 for a given <b>settlement interval</b> as having market power in that <b>settlement interval</b>.</p>	
8	(7)	<p>The <b>ISO</b> must not reconsider the conclusion drawn under subsection 8(4) if market conditions change at any time after the expected residual supply index is selected for the <b>settlement interval</b> under subsection 8(3).</p>	
		<p><b>Mitigation of Market Power</b></p>	
9	(1)	<p>The <b>ISO</b> must, for each <b>settlement interval</b>, identify each <b>operating block</b> associated with a <b>source asset</b> under the offer control of a <b>person</b> identified under subsection 8(4) that has an <b>offer price</b> that is greater than the asset-specific reference price of the related <b>source asset</b> which was determined pursuant to subsections 4, 5, or 6.</p>	
9	(2)	<p>Subject to subsection 9(3), the <b>ISO</b> must change the <b>offer price</b> of an <b>operating block</b> identified under subsection 9(1) to the asset-specific reference price of the associated <b>source asset</b> as determined under subsection 4, 5 or 6 if the <b>operating block</b> is:</p> <ul style="list-style-type: none"> <li>(a) controlled by a single <b>person</b> that has been identified as having market power under subsection 8(4),</li> <li>(b) controlled by multiple <b>persons</b> which have all been identified as having market power under subsection 8(4), or</li> </ul>	



Section	Subsection	Proposed language	Stakeholder comments
		<p>(c) declared to be inflexible in accordance with Section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>, and is at least partially controlled by a <b>person</b> that has been identified as having market power under subsection 8(4).</p>	
9	(3)	<p>The <b>ISO</b> must, if an <b>operating block</b> identified under subsection 9(1) is declared to be flexible under Section 203.1 of the <b>ISO rules, Offers and Bids for Energy</b>, and is partially, but not fully, controlled by one or more <b>person</b> identified as having market power under subsection 8(4), split the existing <b>operating block</b> into two <b>operating blocks</b> as follows:</p> <ul style="list-style-type: none"> <li>(a) create a new <b>operating block</b> that contains the quantity of the existing <b>operating block</b> that is controlled by the <b>person</b> identified as having market power under subsection 8(4) and select an <b>offer</b> price equal to the asset-specific reference price of the associated <b>source asset</b>; and</li> <li>(b) reduce the quantity of the existing <b>operating block</b> by the quantity of the newly created <b>operating block</b>, with no associated change made to the <b>offer</b> price of the <b>operating block</b>.</li> </ul>	
		<p><b>Timely Information from Legal Owner</b></p>	
10		<p>A <b>legal owner</b> of a <b>generating unit or aggregated generating facility</b> must, if it is not the <b>pool participant</b> for that <b>generating unit or aggregated generating facility</b>:</p> <ul style="list-style-type: none"> <li>(a) provide such timely and complete information to the pool participant for such source asset to enable the pool participant to comply with its obligations under subsection 3; and</li> <li>(b) provide an attestation to the <b>pool participant</b> from a corporate officer of the <b>legal owner</b> of such <b>generating unit or aggregated generating facility</b> to enable the <b>pool participant</b> to comply with its obligations under subsection 3(2)d.</li> </ul>	

**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 the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> relates to the capacity market and why or why not	The UCA agrees that the proposed ISO Rule-Section 203.5 relates to the capacity market as it gives the ISO the authority to modify the bid price of operating blocks for participants who have market power.
2	whether you agree that the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed ISO Rule-Section 203.5 should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance to the generators that the Rule will not change during the fixed term (allowing them to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> and whether, in your view, the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> meets the objective or purpose	Yes, ISO Rule – Section 203.5 meets its intended objective/purpose.
4	how, in your view, the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> affects the performance of the capacity market and the electricity market	The UCA believes that this may be considered somewhat of a tradeoff. Energy market mitigation ensures a fair market to all participants regardless of market share. However, mitigation criteria that is too stringent could hinder competitive market forces.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i>	The UCA has no further comment regarding the analysis supporting the proposed ISO Rule – Section 203.5.
6	whether you agree with the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	Yes, the UCA agrees with the new ISO Rule-Section 203.5 taken together with all ISO rules in light of FEOC.
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 203.5, <i>Energy Market Mitigation</i>	There are no alternatives the UCA is proposing at this time.

Item #		Stakeholder comments
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	<p>The cost may not be reasonable for the reasons stated above.</p> <p>Currently the balancing auction is not subject to Market Mitigation as it is expected to be relatively small in comparison to the initial auction. This should be closely monitored and changed if higher than anticipated volumes are encountered in the balancing auctions.</p>
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	<p>The public interest is supported by placing market power mitigation measures on companies that hold market power.</p>

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 203.5, Energy Market Mitigation.***

## Proposed New ISO rule – Section 306.9, *Outage Cancellation Procedures*

<b>Period of Comment:</b>	September 7, 2018	through	September 28, 2018	<b>Contact:</b>	Nola Ruzycki / Doug Simpson
<b>Comments From:</b>	Utilities Consumer Advocate			<b>Phone:</b>	403-476-4998 / 403-476-4999
<b>Date [yyyy/mm/dd]:</b>	2018/09/28			<b>Email:</b>	<a href="mailto:Nola.ruzycki@gov.ab.ca">Nola.ruzycki@gov.ab.ca</a> / <a href="mailto:douglas.simpson@gov.ab.ca">douglas.simpson@gov.ab.ca</a>

***Please provide comments relating to the subsection of the proposed rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
1		<p><b>1</b> Section 306.9 applies to:</p> <ul style="list-style-type: none"> <li>(a) a <b>pool participant</b> with a generating <b>source asset</b> with a <b>maximum capability</b> greater than or equal to 5 MW;</li> <li>(b) a <b>pool participant</b> that submits <b>offers</b> in the energy market for a generating <b>source asset</b> with a <b>maximum capability</b> that is greater than or equal to 1 MW and less than 5 MW;</li> <li>(c) a <b>legal owner</b> of a <b>source asset</b> described in subsections 1(a) and 1(b); and</li> <li>(d) the <b>ISO</b>.</li> </ul>	
		<b>Requirements</b>	
		<b>Authority to Issue an Outage Cancellation Directive</b>	
2	(1)	<p>The <b>ISO</b> may, if after:</p> <ul style="list-style-type: none"> <li>(a) completing the assessments and procedures set out in subsections 3(2) through 3(6) the <b>ISO</b> determines that there remains:                             <ul style="list-style-type: none"> <li>(i) an immediate need on a short term basis for services provided by</li> </ul> </li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>certain <b>source assets</b> to maintain the necessary level of <b>reliability</b> or <b>adequacy</b>, as the case may be; and</p> <p>(ii) a high probability that the situation will not be alleviated in a voluntary manner:</p> <p>(A) by any <b>pool participants</b> amending or revising outage plans; or</p> <p>(B) through the ordinary course operation of the market; and</p> <p>(b) taking into account the factors set out in subsection 3(7) below,</p> <p>issue a <b>directive</b> to cancel any 1 or more of a <b>planned outage</b>, a <b>delist outage</b>, or a <b>delayed forced outage</b>.</p>	
2	(2)	The <b>ISO</b> must not issue a <b>directive</b> canceling an outage without the authorization of the Chief Executive Officer of the <b>ISO</b> or his designee.	
		<b>Outage Cancellation Procedure</b>	
3	(1)	The <b>ISO</b> must, prior to issuing a <b>directive</b> canceling an outage, comply with the procedures set out in subsection 3(2) through 3(8) in sequence.	
3	(2)	The <b>ISO</b> must consider and analyze the results of the <b>adequacy</b> assessments undertaken in accordance with section 202.6 of the <b>ISO rules</b> , <i>Adequacy of Supply</i> , and perform a further assessment of the status of all <b>source assets</b> based on all <b>planned outages</b> that <b>pool participants</b> submit under section 306.5 <i>Generation Outage Reporting and Coordination</i> .	
3	(3)	<p>The <b>ISO</b> must:</p> <p>(a) after completing the assessments and taking into account the total amount of all generating <b>source assets</b> which are planned for outages; and</p> <p>(b) if the <b>ISO</b> anticipates a high probability of a supply <b>adequacy</b> shortfall or <b>reliability</b> concern,</p> <p>notify <b>market participants</b> on the AESO website of its determination.</p>	

Section	Subsection	Proposed language	Stakeholder comments
3	(4)	The <b>ISO</b> must continue to conduct further situational analysis to seek to alleviate the potential supply <b>adequacy</b> shortfall or <b>reliability</b> concern and avoid the cancellation of any outages.	
3	(5)	<p>The <b>ISO</b> must post the determination referred to in subsection 3(3) above for a minimum period of 1 calendar week, and in anticipation that certain <b>pool participants</b>:</p> <ul style="list-style-type: none"> <li>(a) may have flexibility to voluntarily amend plans for outages to assist in the alleviation of the supply <b>adequacy</b> shortfall or <b>reliability</b> situation; or</li> <li>(b) in the case of a <b>delist outage</b>, may submit a request to the <b>ISO</b> to delay the start of the <b>delist outage</b> or return to the energy market before the end of the <b>delist outage</b> term, and substitute in accordance with Section 206.9 of the <b>ISO rules</b>, <i>Asset Substitution</i>.</li> </ul>	
3	(6)	The <b>ISO</b> must, if the <b>ISO</b> determines that the request received in subsection 3(5)(b) would assist in the alleviation of the supply <b>adequacy</b> shortfall or <b>reliability</b> situation, change the <b>delist outage</b> by permitting the <b>pool participant</b> to submit <b>offers</b> in the energy market for a specified volume and substitute in accordance with Section 206.9 of the <b>ISO rules</b> , <i>Asset Substitution</i> .	
3	(7)	The <b>ISO</b> must, if any actions made pursuant to subsections 3(5) and 3(6) do not result in a reduction in the total amount of generating <b>source asset</b> capacity planned for outages such that the forecast supply <b>adequacy</b> shortfall or <b>reliability</b> remains unresolved, contact the individual <b>pool participants</b> to request that they further review outage plans.	
3	(8)	<p>The <b>ISO</b> must consider all of the following factors in its determination as to whether or not to issue a <b>directive</b> canceling an outage as contemplated in this subsection 3:</p> <ul style="list-style-type: none"> <li>(a) the economic and operational consequences for the <b>legal owner</b> of the generating <b>source asset</b> and for any designated <b>pool participant</b>, if a different <b>person</b>;</li> <li>(b) the operational and functional impact on the generating <b>source asset</b> if the outage is cancelled;</li> <li>(c) the effectiveness of canceling the outage in alleviating the supply <b>adequacy</b></li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>shortfall or <b>reliability</b> concern;</p> <p>(d) the historical frequency that a given generating <b>source asset</b> has been the subject of outage cancellations relative to other <b>source assets</b>;</p> <p>(e) the length of time of, and reasons for, any outage the <b>pool participant</b> has previously submitted to the <b>ISO</b> under the reporting requirements set out in this section 306.9;</p> <p>(f) the extent to which the outage will begin or end during the period of the forecast supply <b>adequacy</b> shortfall or <b>reliability</b> concern;</p> <p>(g) any requirements or material implications under or related to any applicable municipal, provincial or federal legislation or regulations if the <b>ISO</b> proceeds to issue a <b>directive</b> to cancel an outage; and</p> <p>(h) the practicality and effectiveness of market-based solutions to alleviate the supply <b>adequacy</b> shortfall or <b>reliability</b> concern, including a consideration of load curtailment options.</p>	
3	(9)	<p>The <b>ISO</b> must, where reasonably practicable, after assessing the effectiveness of each generating <b>source asset</b> in alleviating the supply <b>adequacy</b> shortfall or <b>reliability</b> concern, issue <b>directives</b> cancelling outages in the following order:</p> <p>(a) a generating <b>source asset</b> subject to a <b>capacity commitment</b>;</p> <p>(b) a generating <b>source asset</b> that is not subject to a <b>capacity commitment</b> and is not on a <b>delist outage</b>;</p> <p>(c) a generating <b>source asset</b> that is on a <b>delist outage</b> for economic reasons; and</p> <p>(d) a generating <b>source asset</b> that is on a <b>delist outage</b> for physical or operational reasons.</p>	
3	(10)	<p>The <b>ISO</b> must not issue a <b>directive</b> canceling an outage more than 90 <b>days</b> in advance of the first <b>day</b> of the period which has been determined to be the commencement of the <b>reliability</b> or <b>adequacy</b> shortfall.</p>	
		<p><b>Outage Planned Costs and Work Submission</b></p>	



Section	Subsection	Proposed language	Stakeholder comments
4	(1)	<p>A <b>pool participant</b> who has received a <b>directive</b> for the cancellation of an outage must use all reasonable efforts to submit to the <b>ISO</b> in advance of the period when the outage would have occurred:</p> <ul style="list-style-type: none"> <li>(a) a detailed description and estimation of the work, which was to have been carried out during the outage, including an itemization of the specific plant, machinery and equipment which are the subject of the work during the that period; and</li> <li>(b) an estimate of any known or anticipated <b>incremental generation costs</b> that may be the basis for a claim for compensation under these <b>ISO rules</b>.</li> </ul>	
4	(2)	The submissions set out in subsection 4(1) do not limit compensation claims for other reasonable demonstrable costs.	
		<b>Time Constrained Outage Cancellation</b>	
5		The <b>ISO</b> may, notwithstanding subsection 3, dispense with any or all of the procedures set out in that subsection 3 and proceed to issue a <b>directive</b> to cancel an outage, if in the <b>ISO's</b> opinion, it is evident that immediate <b>reliability</b> or <b>adequacy</b> circumstances do not allow sufficient time to permit the <b>ISO</b> to comply with such procedures.	
		<b>Outage Cancellation Report</b>	
6		<p>The <b>ISO</b> must, if it issues a <b>directive</b> under subsection 2 to cancel an outage, prepare a report and post it on the AESO website, which report must contain:</p> <ul style="list-style-type: none"> <li>(a) an explanation of the circumstances, background and chronological events that caused and are related to the issuance of the <b>directive</b> cancelling the outage;</li> <li>(b) the particulars of the outage that was cancelled, including date of cancellation, duration and MW affected;</li> <li>(c) any material market impacts known to the <b>ISO</b>;</li> <li>(d) whether the cancellation was a time and procedurally constrained one under subsection 5, and if so, the reasons for a decision to depart from any</li> </ul>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>prescribed procedures set out in subsection 3; and</p> <p>(e) any other matters that, in the <b>ISO's</b> opinion, are necessary in order to provide a full and complete explanation to <b>market participants</b> of the decision.</p>	
		<p><b>Payment Eligibility for Incremental Generation Costs and Claim Limitations</b></p>	
7	(1)	<p>Subject to this subsection 7 and section 103.4 of the <b>ISO rules</b>, <i>Power Pool Financial Settlement</i> and the definition of <b>incremental generation costs</b>, a <b>pool participant</b> or <b>legal owner</b> of a generating <b>source asset</b>, or both of them if different <b>persons</b>, that has complied with a <b>directive</b> to cancel an outage issued pursuant to subsection 2, is eligible to receive payment for <b>incremental generation costs</b> from the <b>ISO</b>.</p>	
7	(2)	<p>A <b>pool participant</b> or a <b>legal owner</b> who is a claimant under this subsection 7 must, within 40 <b>days</b> after the end of the <b>settlement period</b> related to the period during which the <b>directive</b> was effective, provide the <b>ISO</b> with a written statement which contains:</p> <p>(a) the detailed information of the claim and calculation of <b>incremental generation costs</b> as incurred and caused by the cancellation, to the extent those details and calculations are known or estimable as of the date of delivery of the statement to the <b>ISO</b>; or</p> <p>(b) if any detailed information or calculations are not known or estimable as of the date of delivery of the statement, an estimate of the date by which any of the outstanding information or calculations required under subsection 7(2)(a) will be finally determined and delivered to the <b>ISO</b>.</p>	<p>At the very least, an officer's attestation certificate should be required as part of the submittal of incremental generation cost information given no scrutiny or intervention opportunities are available to challenge the integrity and accuracy of the information provided. The UCA prefers a more robust approval process for costs that involves the submission of costs to the AUC and proper process should be followed to ensure costs are prudent and reasonable.</p>
7	(3)	<p>A <b>pool participant</b> or a <b>legal owner</b> who is a claimant under this subsection 7 must provide the <b>ISO</b> with a supplementary written statement setting out all outstanding information or calculations as soon as reasonably practicable after the delivery of the original statement, but in any event no later than 1 year after the end of the <b>settlement period</b> related to the period during which the cancellation <b>directive</b> was effective.</p>	
7	(4)	<p>A <b>pool participant</b> or a <b>legal owner</b> who is a claimant under this subsection 7 must provide to the <b>ISO</b>:</p> <p>(a) any and all of its own and third party supporting data, records, invoices, formulas, calculations, third party contract claims and related terms and</p>	

Section	Subsection	Proposed language	Stakeholder comments
		<p>conditions;</p> <p>(b) any other information or materials used to calculate or determine the amounts claimed in the statement or any supplementary statement; and</p> <p>(c) any other detail and information the <b>ISO</b> may reasonably request in order to verify the <b>incremental generation costs</b>, claims, calculations and particulars.</p>	
7	(5)	<p>The <b>ISO</b> must approve the compensation and settlement in respect of any <b>incremental generation costs</b> on or before the 40<sup>th</sup> <b>day</b> following the <b>day</b> of the receipt by the <b>ISO</b> of the last of the initial statement, supplementary statement or deficiency materials.</p>	
7	(6)	<p>The <b>ISO</b> must reject the portion of a claim for <b>incremental generation costs</b> related to any of the following:</p> <p>(a) costs or claims related to a cancellation for which the claimant is eligible for compensation pursuant to the provisions of a <b>transmission must-run</b> contract with the <b>ISO</b>;</p> <p>(b) costs or claims associated with or related to the claimant's market or hedging portfolio, other than those allowed under subsection (iv)(d)(B) of the definition of <b>incremental generation costs</b> which limits such costs and claims to the <b>source asset</b> which is the subject of the <b>directive</b>;</p> <p>(c) lost opportunity costs, or other form of loss of profits, revenue, earnings or revenue not specifically provided for in the definition of <b>incremental generation costs</b>;</p> <p>(d) raw material, fuel, processing, production, manufacturing or industrial costs of any nature which are not directly related to the <b>source asset</b>'s participation in the energy market;</p> <p>(e) fixed costs; or</p> <p>(f) costs or claims that the claimant could otherwise have mitigated through all reasonable efforts.</p>	
		<p><b>Cost Recovery</b></p>	

Section	Subsection	Proposed language	Stakeholder comments
8		The <b>ISO</b> must treat the <b>incremental generation costs</b> paid to a claimant for an approved claim under subsection 7(6) as an <b>ancillary services</b> cost.	
		<b>Timely Information from Legal Owner</b>	
9		A <b>legal owner</b> of a <b>source asset</b> must, if it is not the <b>pool participant</b> for that <b>source asset</b> , provide such timely and complete information to the <b>pool participant</b> for such <b>source asset</b> to enable the <b>pool participant</b> to comply with its obligations under this section 306.9.	

**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 the proposed new ISO Rule – Section 306.9, <i>Outage Cancellation Procedures</i> relates to the capacity market and why or why not	The UCA agrees that the proposed ISO Rule-Section 306.9 relates to the capacity market as it pertains to outage cancellation procedures and ensuring that generators have enough capacity available to meet resource adequacy and reliability standards.
2	whether you agree that the proposed new ISO Rule – Section 306.9, <i>Outage Cancellation Procedures</i> should [or should not] be in effect for a fixed term and why or why not	As the capacity market will be new and constantly evolving, the UCA believes that the proposed rules should be in effect for a fixed term in order to have the chance to review and modify it while still providing assurance that the Rule will not change during the fixed term (allowing parties to operate in relative certainty).
3	whether you understand and agree with the objective or purpose of the proposed new ISO Rule – Section 306.9, <i>Outage Cancellation Procedures</i> and w Section 306.9, <i>Outage Cancellation Procedures</i> meets the objective or purpose	The UCA understands the purpose of the proposed new ISO Rule-Section 306.9.
4	how, in your view, the proposed new ISO Rule – Section 306.9, <i>Outage Cancellation Procedures</i> affects the performance of the capacity market and the electricity market	The proposed ISO Rule-Section 306.9 relates to the capacity market as it pertains to outage cancellation procedures and ensuring that generators have enough capacity available to meet resource adequacy and reliability standards.
5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new ISO Rule – Section 306.9, <i>Outage Cancellation Procedures</i>	See comments above.
6	whether you agree with the proposed new ISO Rule – Section 306.9, <i>Outage Cancellation Procedures</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	See comments above.

Item #		Stakeholder comments
7	whether you would suggest any alternatives to the proposed new ISO Rule – Section 306.9, <i>Outage Cancellation Procedures</i>	At the very least, an officer’s attestation certificate should be required as part of the submittal of incremental generation cost information and no scrutiny or intervention opportunities are available to challenge the integrity and accuracy of the information provided. The UCA prefers a more robust approval process for costs that involves the submission of costs to the AUC.
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	The proposed provisional rule supports ensuring a reliable supply of electricity and it allows the ISO to cancel outage requests.
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	The proposed provisional rule is in the public interest as it ensures a reliable and adequate supply of capacity should market forces warrant new generation (i.e. demand).

***Please provide your views on the type of content that should be included in an information document associated with the proposed new ISO Rule – Section 306.9, Outage Cancellation Procedures.***