

# ISO Rules

## Part 200 Markets

### Division 206 Interim Market Power Mitigation

#### Section 206.2 Interim Supply Cushion Directives

##### Applicability

1 Section 206.2 applies to:

- (a) a **pool participant** with an **eligible long lead time asset**; and
- (b) the **ISO**

in accordance with the *Supply Cushion Regulation*, AR 42/2024.

##### Requirements

##### Information to be Provided for an Eligible Long Lead Time Asset

2(1) A **pool participant** must submit to the **ISO**, for an **eligible long lead time asset**:

- (a) estimated cost parameters including:
  - (i) all variable charges under the **ISO tariff** applicable to the **eligible long lead time asset**, including any applicable **loss factor** charge or credit;
  - (ii) variable operational and maintenance charges;
  - (iii) heat rates to inform the fuel cost to start and run the **eligible long lead time asset**;
  - (iv) **emissions costs**; and
  - (v) any other information requested by the **ISO**; and
- (b) accurate physical constraints including:
  - (i) **initial start-up time**;
  - (ii) **minimum off time**;
  - (iii) **ramp rate**;
  - (iv) **minimum stable generation**;
  - (v) **maximum run up time**; and
  - (vi) **minimum on time**.

(2) A **pool participant** must submit the information under subsection 2(1):

- (a) by June 21, 2024 for an existing **eligible long lead time asset** that is in **commercial operation** as of June 21, 2024;
- (b) 48 hours after an **eligible long lead time asset** achieves **commercial operation**;
- (c) 48 hours after the **pool participant** submits a change to an **initial start-up time** such that it changes from 1 hour or less to a time greater than 1 hour for an **eligible long lead time asset** that has already achieved **commercial operation**; or
- (d) upon request from the **ISO**.

# ISO Rules

## Part 200 Markets

### Division 206 Interim Market Power Mitigation

#### Section 206.2 Interim Supply Cushion Directives

- (3) A **pool participant** must:
- (a) ensure the information provided to the **ISO** under subsection 2(1) remains accurate and up to date; and
  - (b) submit to the **ISO** any material changes to the information provided to the **ISO** under subsection 2(1) as soon as practicable.
- (4) A **pool participant** must submit the information required under subsections 2(1) and 2(3)(b) in the form published on the AESO website.
- (5) The **ISO** must review the information submitted by the **pool participant** under subsection 2(1) and 2(3)(b) to ensure completeness in a timely manner, and may request additional clarification or information from the **pool participant**.
- (6) The **ISO** must, upon a **pool participant** satisfying subsection 2(4), provide written notification to the **pool participant** that the information received under subsection 2 will be used by the **ISO** to issue **unit commitment directives** under subsection 5.

#### Calculation of Estimated Start-Up and Hourly Operation Costs

- 3(1) The **ISO** must, using the information submitted under subsection 2(1), calculate the estimated start-up costs of an **eligible long lead time asset** that is not already online starting-up and reaching **minimum stable generation** as the sum of:
- (a) start-up variable operation and maintenance charges;
  - (b) start-up **emissions costs**; and
  - (c) start-up fuel costs.
- (2) The **ISO** must, using the information submitted under subsection 2(1), calculate the estimated hourly operation costs of an **eligible long lead time asset** operating at **minimum stable generation** as the sum of:
- (a) variable operation and maintenance charges;
  - (b) **emissions costs**; and
  - (c) fuel costs.

#### Anticipated Supply Cushion

- 4(1) The **ISO** must:
- (a) determine the **anticipated supply cushion** for a **settlement interval** based on:
    - (i) the **available capability** of applicable **source assets**;
    - (ii) estimated output from wind and solar **generating units**;
    - (iii) estimated total net imports and exports on all **interties**;
    - (iv) estimated **Alberta internal load**; and
    - (v) any other relevant variable as determined by the **ISO**; and
  - (b) publish the methodology underlying the determination referenced in subsection 4(1) on the AESO website.

# ISO Rules

## Part 200 Markets

### Division 206 Interim Market Power Mitigation

#### Section 206.2 Interim Supply Cushion Directives

(2) The **ISO** must provide reasonable notice of any changes to the methodology referenced in subsection 4(1).

(3) The **ISO** must report on the **anticipated supply cushion** on the AESO website.

#### Issuance of Directives and Determination of Relative Economic Merit

**5(1)** The **ISO** must, if the **anticipated supply cushion** determined under subsection 4(1) will be less than the **supply cushion threshold** for any **settlement interval**:

- (a) minimize the deficit to the extent reasonable for the safe, reliable, and economic operation of the **interconnected electric system** by issuing a **unit commitment directive** or combination of **unit commitment directives** to **pool participants** for **eligible long lead time assets**; and
- (b) determine the order of issuance of **unit commitment directives** according to relative economic merit, including on the basis of the physical constraint parameters of **eligible long lead time assets** submitted under subsection 2(1) and the costs calculated under subsections 3(1) and 3(2).

(2) The **ISO** must, in assessing the relative economic merit of **unit commitment directives** under subsection 5(1)(b), determine the least cost **unit commitment directive** or combination of **unit commitment directives** based on:

- (a) all identified **settlement intervals** with a supply cushion deficit to be minimized;
- (b) the period of time an **eligible long lead time asset** would be required to operate; and
- (c) the calculated estimated cost of a **unit commitment directive** for an **eligible long lead time asset** as the sum of:
  - (i) the estimated start up costs calculated under subsection 3(1) if the **eligible long lead time asset** is not already online; and
  - (ii) the estimated hourly operation costs calculated under subsection 3(2) for each hour of operation for the **unit commitment directive**.

(3) The **ISO** must ensure that a **unit commitment directive** requires an **eligible long lead time asset** to operate, specifying:

- (a) for an **eligible long lead time asset** that is not already online, the start time of when the **eligible long lead time asset** will be required to synchronize to the **interconnected electric system**; and
- (b) the period of time the **eligible long lead time asset** is required to operate.

(4) The **ISO** must ensure that the period of time under subsection 5(3)(b), for an **eligible long lead time asset** that is not already online, is greater than or equal to the **minimum on time** of the **eligible long lead time asset**.

(5) The **pool participant** must, on receipt of a **unit commitment directive**, in accordance with a **unit commitment directive**:

- (a) if the **eligible long lead time asset** is not already synchronized to the **interconnected electric system**:
  - (i) synchronize by the time specified by the **ISO** and ramp up the **eligible long lead time asset** to its **minimum stable generation**; and

# ISO Rules

## Part 200 Markets

### Division 206 Interim Market Power Mitigation

#### Section 206.2 Interim Supply Cushion Directives

- (ii) continue to operate the **eligible long lead time asset** at or above its **minimum stable generation** until at least the end time specified by the **ISO**.
  - (b) if the **eligible long lead time asset** is already synchronized to the **interconnected electric system**, continue to operate the **eligible long lead time asset** at or above its **minimum stable generation** until at least the end time specified by the **ISO**.
- (6) The **ISO** must, when issuing a **unit commitment directive** to an **eligible long lead time asset** not already online, issue the **unit commitment directive** at least, but not more than one hour, prior to the **initial start-up time** of the **eligible long lead time asset** before the start time specified in the **unit commitment directive**.
- (7) The **ISO** must not, notwithstanding subsection 5(1), issue a **unit commitment directive** that would require the **pool participant** to cancel an outage for an **eligible long lead time asset**.
- (8) The **ISO** must, upon issuing a **unit commitment directive** in accordance with subsection 5(1)(a), publish on the AESO website:
  - (a) the times specified in subsection 5(3); and
  - (b) the time the **unit commitment directive** was issued.
- (9) The **ISO** is not required to take any steps to maintain the **supply cushion threshold** other than those described in this subsection 5.

#### Price Reconstitution

- 6 The **ISO** must not reconstitute the **pool price** to the level it would have reached without any action taken in accordance with a **unit commitment directive**.

#### Cost Guarantee

- 7(1) The **ISO** must pay a **pool participant** for an **eligible long lead time asset** the prudent incremental costs incurred from operating an **eligible long lead time asset** up to but not greater than the **minimum stable generation** in compliance with a **unit commitment directive**, net of **pool price** revenue received by the **pool participant** during the **settlement intervals** in which the **eligible long lead time asset** responded to the **unit commitment directive**, subject to this subsection 7.
- (2) The obligation of the **ISO** to pay the **pool participant** under subsection 7(1) is conditional upon the **pool participant** submitting to the **ISO**:
  - (a) a written request for payment under subsection 7(1) in the form specified by the **ISO** which must include:
    - (i) the asset ID of the **eligible long lead time asset**;
    - (ii) the time the **unit commitment directive** was in effect; and
    - (iii) costs under subsection 7(1) being claimed by the **pool participant**;
  - (b) the attestation referred to in subsection 7(3); and
  - (c) any other information that the **ISO** reasonably requires to ensure that the **ISO** has a full and satisfactory understanding of the costs being claimed by the **pool participant**.

# ISO Rules

## Part 200 Markets

### Division 206 Interim Market Power Mitigation

#### Section 206.2 Interim Supply Cushion Directives

(3) A **pool participant** must, to be eligible for payment under this subsection 7, provide a completed attestation to the **ISO** from a corporate officer of the **pool participant** or, if the **pool participant** is not the **legal owner** of the **eligible long lead time asset**, from a corporate officer of the **legal owner** of the **eligible long lead time asset** that:

- (a) attests to the accuracy, prudence and completeness of the actual incremental costs incurred in response to the **unit commitment directive** and being claimed by the **pool participant**, consisting of:
  - (i) the actual costs of all variable charges under the **ISO tariff** applicable to the **eligible long lead time asset**, including any applicable **loss factor** charge or credit;
  - (ii) variable operational and maintenance charges;
  - (iii) fuel costs to start and run the **eligible long lead time asset**; and
  - (iv) **emissions costs**; and
- (b) is in the form of attestation set out in Appendix 1.

(4) The **ISO** must pay the costs under subsection 7(1) being claimed by a **pool participant** within 75 business days of all of the conditions under subsection 7(2) being satisfied.

(5) A **pool participant** must request payment and submit the attestation required under subsection 7(2) no later than two years following the day on which the **unit commitment directive** was issued.

#### Incremental Cost Recovery

8 The **ISO** must recover all costs paid to a **pool participant** under subsection 7(1) for an **eligible long lead time asset** through a pro rata **ISO fee** charged to every **pool participant** with energy consumption and production during any **settlement interval** in which the **unit commitment directive** was issued, in accordance with section 21 of the **Act**.

#### Applicability of Other ISO Rules

9(1) Subsections 5 and 13 of Section 103.4 of the **ISO rules**, *Power Pool Financial Settlement*, do not apply to an **eligible long lead time asset** that is responding to a **unit commitment directive** under this Section 206.2.

(2) Subsections 5, 6, 7 and 8 of Section 202.4 of the **ISO rules**, *Managing Long Lead Time Assets*, do not apply to an **eligible long lead time asset** that is responding to a **unit commitment directive** under this Section 206.2.

(3) Subsections 3, 5(1), 6, and 8(2) of Section 204.2 of the **ISO rules**, *Issuing Dispatches for Dispatch Down Service*, do not apply to an **eligible long lead time asset** that is responding to a **unit commitment directive** under this Section 206.2.

#### Effective Date and Expiry

10(1) This Section 206.2 is effective July 1, 2024, except for subsection 2 of this Section 206.2 which is effective June 21, 2024.

(2) This Section 206.2 expires on November 30, 2027.

#### Appendices

Appendix 1 – Form of Costs Attestation

# ISO Rules

## Part 200 Markets

### Division 206 Interim Market Power Mitigation

### Section 206.2 Interim Supply Cushion Directives

#### Revision History

| Date       | Description  |
|------------|--|
| 2025-04-20 | Addition of subsection 5(8) to require the ISO to provide notification of the issuance of a unit commitment directive, as approved by the AUC in Decision 29940-D01-2025.                    |
| 2025-02-19 | Addition of subsection 3, and revisions to Subsection 5(1), Issuance of Directives and Determination of Relative Economic Merit, as approved by the AUC in Decision 29093-D02-2025.          |
| 2024-07-01 | Initial release of subsections 1 and, 3-8.   |
| 2024-06-21 | Initial release.<br>In accordance with Order 29091-D01-2024 issued June 19, 2024, subsection 2 came into effect on June 21, 2024 and all other subsections come into effect on July 1, 2024. |

# ISO Rules

## Part 200 Markets

### Division 206 Interim Market Power Mitigation

#### Section 206.2 Interim Supply Cushion Directives

#### Appendix 1 – Form of Costs Attestation

STATUTORY DECLARATION IN THE MATTER OF the prudent, incremental costs incurred while responding to a **unit commitment directive** pursuant to the *Supply Cushion Regulation*, Alberta Regulation 42/2024 and Section 206.2 of the ISO rules, between the Independent System Operator (“ISO”) and [insert name of Pool Participant or Legal Owner], dated [insert date].

Bolded terms not defined herein have the meaning ascribed thereto in the ISO’s Consolidated Authoritative Document Glossary.

I, [insert name of declarant] DO SOLEMNLY DECLARE, on behalf of [insert name of Pool Participant or Legal Owner], without personal liability, the following information:

1. I am the / an [insert office held, e.g. president, director, etc.] of [insert name of Pool Participant or Legal Owner] and have knowledge of the matters herein described.
2. The [insert name of Pool Participant or Legal Owner] responded to a **unit commitment directive** from the ISO beginning at [insert time and date of start of unit commitment directive] and ending at [insert time and date of end of unit commitment directive].
3. To the best of my knowledge and information, after having made due enquiry, Table 1 contains the complete, accurate, and prudent incremental costs incurred by [insert name of Pool Participant or Legal Owner] from operating [insert name of eligible long lead time asset] [insert asset ID], an **eligible long lead time asset**, up to but not greater than the **minimum stable generation** in response to the **unit commitment directive** referenced in section 2, above.

**Table 1**

#### Incremental Costs Incurred in Response to a Unit Commitment Directive

| Description of Cost   | Dollar Amount of Cost   |
|---|-------------------------|
| Actual costs of all variable charges under the <b>ISO tariff</b> applicable to the <b>eligible long lead time asset</b> , including any applicable loss factor charge or credit | [insert amount of cost] |
| Variable operational and maintenance charges  | [insert amount of cost] |
| Fuel costs to start and run the <b>eligible long lead time asset</b>  | [insert amount of cost] |
| Emissions costs   | [insert amount of cost] |
| Incremental costs (sum of above four rows)  | [insert amount of cost] |

# ISO Rules

## Part 200 Markets

### Division 206 Interim Market Power Mitigation

#### Section 206.2 Interim Supply Cushion Directives

AND I MAKE THIS SOLEMN DECLARATION conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

|  |   |
|--|---|
| Name of declarant<br>[insert name of declarant]  | Declared before me at [insert name of City, Town, Region, etc.] in the Province of [insert name of Province] this      day of      , 20 |
| Signature of declarant   | Name of [insert "Commissioner of Oaths", "Notary Public", etc., as applicable]<br><br>[insert name of Commissioner, Notary, etc.]       |
| <b>Note:</b> Statutory declarations must be solemnly declared and signed before commissioners of oaths or similar officials (e.g., notary public). | Signature of [insert "Commissioner of Oaths", "Notary Public", etc., as applicable]   |