

AESO Recommendation Paper – Intertie Restoration Stakeholder Comment Matrix

Section	AESO Recommendation/Feedback Requested	Stakeholder Response
3.0 Policy Coherence	<p>The AESO is interested feedback as to the AESO's policy interpretation on:</p> <ol style="list-style-type: none"> 1. Obligation to restore intertie capacity 2. Cost allocation for restoration initiatives 	<p>TransAlta agrees that the AESO is obligated to restore intertie capacity. The AESO must restore intertie capacity in a FEOC manner by restoring import and export capacity in parallel.</p> <p>TransAlta agrees that load should bear the cost of the intertie restoration. This is consistent with the Transmission Development Policy paper.</p>

<p>4.1 Import Restoration</p>	<ol style="list-style-type: none"> 1. The AESO recommends implementing a dispatchable LSS service with the characteristics noted. 2. The AESO recommends that the revised LSS service will be a system service and will not be associated with import rights. 3. The AESO recommends that the revised LSS program should not be technology specific. 4. The AESO recommends that further options to restore import capacity should be explored. 	<p>TransAlta would like more clarity on how the three part payment structure will work.</p> <ol style="list-style-type: none"> a. How will the AESO determine the availability payment? What factors will be used to determine the value of the availability payments? Will this value be made public? Will providers be paid based on what they can provide all hours of the day? This is not consistent with the standby operating reserve market. Generators must offer in a specified amount that they can provide and are paid based on that amount. They are not paid based on the amount they could have provided. Thus TransAlta suggests that the availability payment be based on the amount the supplier declares they can provide and they are paid based on the declared or actual amount provided, whichever is less. b. TransAlta agrees that providers be paid the actually armed amount. How will this amount be determined? Will there be a bid/offer system similar to the current OR market? Will these prices be published in the same manner as the OR indexes are published? c. Tripping payment should be paid to the providers if they are tripped. What will the payment be? How will the value be determined? <p>TransAlta does not agree with the proposed availability payment for LSSi. Unless the provider has offered this service and it has been procured, “potential” providers should not be paid for being capable of providing LSSi. To draw a parallel: there are many potential providers of regulating, spin and supplemental reserves yet they are not paid for being capable of supplying this service unless they offer to the AESO and the AESO procures this service from them. This means that the AESO purchases a specified amount of MW and does not leave it open to the providers to determine.</p>
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		<p>TransAlta agrees that no import rights will be assigned to the LSSi service provider.</p> <p>TransAlta agrees that if a provider can offer the services according to the technical specifications, then the AESO should not specify the type of technology allowed to provide the service.</p> <p>TransAlta agrees that further options be explored that can increase import capacity and a cost/benefit analysis should be undertaken to determine the optimal solution.</p>
4.2 Export Restoration	<ol style="list-style-type: none"> 1. The AESO recommends that a wider range of export restoration options (beyond GRAS) should be explored. 2. The AESO recommends a process to solicit proposals for export restoration should be initiated. 3. The AESO recommends that solutions that require generation to operate outside of the energy market merit order (such as export must run service) should not be pursued. 4. The AESO does not recommend that splitting the ancillary services market should be considered as a means to increase export ATC. 	<p>TransAlta agrees that a wide range of export restoration options be explored.</p> <p>A process is needed to solicit proposals for export restoration.</p> <ol style="list-style-type: none"> 3. Not sure what to make of this. 4. Not sure how this would increase export ATC.
5.0 Next Steps	The AESO is interested in stakeholder comment on the AESO's next steps.	TransAlta would like to reiterate that import and export restoration must be done in parallel in order to be FEOC.