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1. Purpose

This Information Document relates to the following Authoritative Documents¹:

- (1) Section 202.5 of the ISO rules, *Supply Surplus*.

This Information Document provides additional information to market participants regarding the steps used to manage a state of supply surplus.

2. Supply Surplus Procedures

The interconnected electric system is considered to be in a state of supply surplus when the supply of energy available at \$0 exceeds system demand. The steps used to balance the interconnected electric system while in a state of supply surplus are set out in section 202.5 of the ISO rules. Additional information on the practical implementation of those steps is provided below.

2.1. Curtailment of next hour import interchange transactions

Under subsection 2(1) of section 202.5 of the ISO rules, the AESO may curtail next hour import interchange transactions to manage a state of supply surplus. The AESO exercises this option if the forecasted pool price for the next hour is \$0. The AESO's price forecasting application forecasts a dispatch level and system marginal prices for 6, 10-minute intervals in the next hour. The AESO uses the maximum forecast dispatch level in the next hour when determining the amount of import interchange transactions to curtail.

2.2. Curtailment of current hour import interchange transactions

Where the AESO determines that a state of supply surplus is imminent in the current hour or already exists, subsection 2(2)(a) of section 202.5 of the ISO rules obligates the AESO to "initiate curtailment of import interchange transactions", as required to balance supply and system load.

2.3. Allowing export transactions within the price restatement period

Where the AESO determines that a state of supply surplus is imminent in the current hour or already exists, subsection 2(2)(b) of section 202.5 of the ISO rules obligates the AESO to "allow pool participants to submit bids to increase export interchange transactions within two (2) hours of the start of the settlement interval", as required to balance supply and system load. The AESO publishes a message through the automated dispatch and messaging system, indicating that market participants are able to schedule export interchange transactions within the price restatement period if they so

¹ "Authoritative Documents" is the general name given by the AESO to categories of documents made by the AESO under the authority of the *Electric Utilities Act* and regulations, and that contain binding legal requirements for either market participants or the AESO, or both. Authoritative Documents include: the ISO rules, the Alberta reliability standards, and the ISO tariff.

choose. If a market participant chooses to increase the amount of its export interchange transactions in response to this message, the market participant can do so by:

- (i) restating the appropriate export bid, as outlined in section 203.3 of the ISO rules, *Energy Restatements*, indicating that the reason for the restatement is in response to the AESO's message; and
- (ii) submitting the corresponding e-tag in order to enable the export transaction.

Once a sufficient response has been received, or if sufficient time for a response has elapsed, the AESO then publishes a second message through the automated dispatch and messaging system, indicating that export interchange transactions are no longer allowed within the price restatement period.

2.4. Allowing voluntary import curtailment within the price restatement period

Where the AESO determines that a state of supply surplus is imminent in the current hour or already exists, subsection 2(2)(c) of section 202.5 of the ISO rules obligates the AESO to “allow pool participants to submit offers to decrease import interchange transactions within two (2) hours of the start of a settlement interval”, as required to balance supply and system load. The AESO publishes a message to market participants through the automated dispatch and messaging system, indicating that market participants are able to voluntarily decrease import interchange transactions within the price restatement period if they so choose. If a market participant chooses to decrease the amount of its import interchange transactions in response to this message, the market participant can do so by:

- (i) restating the appropriate import offer, as outlined in section 203.3 of the ISO rules, *Energy Restatements*, indicating that the reason for the restatement is in response to the AESO's message; and
- (ii) adjusting the corresponding e-tag to reflect the intended import transaction.

Once a sufficient response has been received, or if sufficient time for a response has elapsed, the AESO then publishes a second message through the automated dispatch and messaging system, indicating that import interchange transactions are no longer allowed within the price restatement period.

2.5. Allowing voluntary generating unit curtailment within the price restatement period

Where the AESO determines that a state of supply surplus is imminent in the current hour or already exists, subsection 2(2)(d) of section 202.5 of the ISO rules states that the AESO must “allow pool participants to submit restatements reducing generating unit and aggregated generating facility output within two (2) hours of the start of a settlement interval”, as required to balance supply and system load. The AESO publishes a message to market participants through the automated dispatch and messaging system, indicating that market participants are able to voluntarily curtail their generating unit output during the price restatement period if they so choose. If a market participant chooses to voluntarily curtail its generating unit output in response to this message, the market participant restates the output volume, as outlined in subsection 203.3 of the ISO rules, *Energy Restatements*, indicating that the reason for the restatement is in response to the AESO's message. Once a sufficient response has been received, or if sufficient time for a response has elapsed, the AESO publishes a second message through the automated dispatch and messaging system indicating that voluntary generating unit curtailments are no longer allowed within the price restatement period.

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3. Revision History

Posting Date	Description of Changes
2018-09-04	The addition of s. 2.4 to reflect amendments to Section 202.5 of the ISO rules.
2014-12-18	Administrative Updates
2011-11-22	Initial Release