

October 28, 2021

To: The Market Surveillance Administrator, market participants and other interested parties
("Stakeholders")

Re: **Stakeholder Comments on Letter of Notice – Draft Proposed Amendments to Section 202.6 of the ISO rules, Adequacy of Supply ("Section 202.6")**

Pursuant to Alberta Utilities Commission Rule 017, *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, written comments received from the Stakeholders in response to the Alberta Electric System Operator's ("AESO") October 1, 2021 Letter of Notice for development of proposed amended Section 202.6 have been posted on the AESO website. Comments were received from the following Stakeholders:

- Capital Power Corporation
- ENMAX Corporation
- Heartland Generation Ltd.
- TransAlta Corporation
- TransCanada Energy Ltd.

The written Stakeholder comments can be found on the Stakeholder engagement page on the AESO website at www.aeso.ca. Follow the path Stakeholder engagement > Rules, Standards and Tariff > Proposed Amendments to Section 202.6 of the ISO rules, Adequacy of Supply

Thank you to all Stakeholders who participated in this ISO rules comment process. All written comments received will be considered in the AESO's finalization of the proposed amended Section 202.6 and responses to those comments will be posted on the AESO website.

If you have any questions, please submit them to rules_comments@aeso.ca

Sincerely,

Jodi Marshall

Legal Manager, ISO Rules and Alberta Reliability Standards
Legal and Regulatory Affairs
rules_comments@aeso.ca



<p>Period of Comment: October 1, 2021 through October 22, 2021</p> <p>Comments From: Capital Power Corporation (“Capital Power”)</p> <p>Date [yyyy/mm/dd]: 2021/10/22</p>	<p>Contact: Santi Churphongphun</p> <p>Phone: (403) 807-2909</p> <p>Email: schurphongphun@capitalpower.com</p>
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Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the “related material” on the Stakeholder Engagement page on the AESO website.
3. Please respond to the questions below and provide your specific comments, if any. Blank boxes will be interpreted as favourable comments.

The AESO is seeking comments from Stakeholders on the proposed amendments to Section 202.6 of the ISO rules, Adequacy of Supply, with regard to the following matters:

	AESO Questions to Stakeholders	Stakeholder comments
1	Do you understand and agree with the objective or purpose of the proposed amendments to Section 202.6 and whether, in your view, the proposed amendments to Section 202.6 meet the objective or purpose? If not, why?	Capital Power understands the objective and purpose of the proposed amendments to ISO Rule Section 202.6 (the “Rule”). While Capital Power is generally supportive of eliminating unnecessary administration and regulatory burden, the proposed amendments extend beyond reasonable red tape reduction. The proposed amendments would remove necessary transparency and oversight of the AESO’s assessment used to cancel a planned or mothball generator outage. Capital Power believes revisions to the proposed amendments must be explored to ensure a balance is achieved. Details in this regard are provided below.
2	Do you agree that the proposed amendments to Section 202.6 are not technically deficient? If not, why?	<p><i>The proposed amendments render the Rule technically deficient and are inconsistent with applicable legislation and AUC direction. Further revisions, with stakeholder input, could resolve this shortcoming.</i></p> <p>Capital Power disagrees that the proposed amendments are not technically deficient. The fact that enabling legislation requires the AESO to “...provide for the safe, reliable, and economic operation of the interconnected electric system, and the fair, efficient, and openly competitive operation of the market” does not grant it the right to exercise unfettered discretion to achieve these ends.¹</p> <p>The AESO response to stakeholder comments do not explain how either the AUC’s direction or Section 18 of the Transmission Regulation no longer apply in this instance. Similarly, the Government of Alberta’s Red Tape Reduction initiative does not supersede the requirement for clarity of the AESO measures in cancelling outages. Therefore, Capital Power maintains that forecast measures for supply adequacy within the Rule were contemplated to be made explicit.²</p>

¹ Para 62, “The exercise of the ISO’s discretion is not absolute, however. It is bounded by the specific limitations placed on it by legislation and regulations made pursuant to that legislation. In this case, the ISO’s discretion is specifically limited by subsection 18(1) of the Transmission Regulation.” AUC Decision 2009-007 (January 19, 2009).

² Page 3, “Stakeholder Comment Matrix - Development of Proposed Amendments to Section 202.6 of the ISO rules, Adequacy of Supply” (5 January 2021), Capital Power, <<https://www.aeso.ca/assets/Uploads/S1-CPC-Comments-Matrix-ISO-Rule-202.6.pdf>>

	AESO Questions to Stakeholders	Stakeholder comments
		<p>ISO Rules Section 306.5 - <i>Generation Outage Reporting and Coordination</i> and 306.7 - <i>Mothball Outage Reporting</i> both rely on subsection 2 of the Rule to determine whether the AESO will proceed in further considering the cancellation of an outage(s). However, proposed subsection 2 in its entirety reads as follows: “The ISO must forecast supply adequacy.” This provides no clarity regarding the measure(s) the AESO will take in determining that its intervention may be necessary. It does not refer to a specific AESO forecast of supply adequacy (or details of one to be used), is absent of a defined adequacy threshold that would trigger next steps in considering out-of-market AESO action and does not outline that any of this information will be made publicly available.</p> <p>Capital Power appreciates that forecast tools and methodologies continuously evolve and recognizes that reflecting such specificity in an authoritative document may present regulatory burden but submits that further details in proposed subsection 2 are necessary to govern the AESO’s discretion and its ability to cancel generator outages. This concern is particularly acute given the lack of any advance notice or awareness of market participants that the AESO may be contemplating such action. Capital Power recognizes that under the legislative scheme, market participants’ rights may be subsumed in limited cases to protect system reliability. In turn, however, stakeholders must have sufficient assurance that such powers are adequately governed and its use ought to be sufficiently predictable.</p> <p>This is not to suggest that the Rule is required to outline the entire forecast methodology in detail. Instead, Capital Power submits that the AESO should work with stakeholders to develop useful outputs of the AESO’s “forecast supply adequacy” (e.g., thresholds, triggers and/or indicators) that can be published publicly to provide stakeholders awareness of whether outage cancellations may be imminent so that necessary resource planning can be undertaken. To this end, Capital Power recommends that subsection 2 be revised to:</p> <ul style="list-style-type: none"> i) include reference to a specific “forecast supply adequacy” assessment such as the AESO’s <i>24-month Supply and Demand Forecast</i>; ii) engage stakeholders in developing an appropriate adequacy threshold(s) resulting from the “forecast supply adequacy” assessment that would trigger consideration of outage cancellation(s); and iii) include a requirement for the assessment outputs and the threshold to be made publicly available. <p>Similar to subsection 2, proposed amended subsection 3 now simply states that “[t]he ISO must assess and report on the short-term adequacy of supply by, at a minimum, completing a real-time adequacy assessment.” The same recommendations for subsection 2 equally apply here. In Capital Power’s view, the revisions above could be made to address stakeholder considerations while simultaneously reducing regulatory red tape.</p>
3	Do you agree that the proposed amendments to Section 202.6, taken together with all ISO rules, support a fair, efficient, and openly competitive	<p><i>The proposed amendments unduly increase the AESO’s discretion to intervene in the operation of Alberta’s wholesale electricity market. Further revisions, with stakeholder input, could resolve this shortcoming.</i></p> <p>No. Capital Power does not agree that the proposed amendments to Section 202.6 support a fair, efficient and</p>

	AESO Questions to Stakeholders	Stakeholder comments
	market? If not, why?	<p>openly competitive market. Like the AESO, market participants also endeavor to forecast short-term supply adequacy. In such an event, planned or mothball outages may be moved or cancelled by market participants on their own accord due to anticipated market fundamentals. Remaining outages may not be modified due to physical factors (e.g., already in inoperable state) or commercial considerations (e.g., portfolio optimization or capital upgrades). These risks are appropriately considered and shouldered by market participants.</p> <p>While forecasts can differ between parties, only the AESO's is used in determining whether out-of-market action may be necessary to address a potential short-term supply shortfall. Without any insight into the AESO measure or threshold for taking such actions, market participants are not able to manage the above noted risks ultimately resulting in higher than necessary costs for consumers. A lack of transparency and oversight of AESO market intervention could also have longer term negative implications affecting the timing and cost of investment decisions.</p>
4	Do you agree that the proposed amendments to Section 202.6 support the public interest? If not, why?	<p><i>The proposed amendments to the Rule do not support the public interest. Further revisions, with stakeholder input, would resolve this shortcoming.</i></p> <p>Capital Power submits that the proposed amendments do not support the public interest for the reasons set out at responses 2 and 3 above.</p>
5	If approved, the AESO will propose an immediate effective date. Do you agree? If not, why?	<p><i>Effective date timing must coincide with publication of companion Information Document.</i></p> <p>Given stakeholder concerns, Capital Power believes that the timing for amended Section 202.6 to take effect should coincide with the final Information Document that outlines the assessment details specified in the Rule.</p>
6	Do you have any additional comments regarding the proposed amendments to Section 202.6?	<p><i>Stakeholder session prior to filing would help address stakeholder concerns.</i></p> <p>An information document alone is insufficient to address the concerns raised by stakeholders. However, Capital Power believes that a stakeholder session(s) prior to filing the proposed amendments would be helpful to address the fundamental concerns related to transparency and oversight cited in several parties' feedback to the AESO. This discussion should result in further refinements to the Rule amendments that will still reduce red tape yet satisfy the needs of stakeholders to be informed of potential outage cancellation and provide assurance that the AESO has allowed the market to exhaust all options before having to intervene.</p>
7	Please provide any comments or views on the need for the development of a related information document, including the type of content that should be included.	<p><i>A supplemental Information Document should be developed.</i></p> <p>Capital Power supports the development of an information document outlining the forecast and assessment methodologies for each of the four categories within Section 202.6: Supply Adequacy Forecast, Real-time Adequacy Assessments, Long Term Adequacy Metrics, Long Term Adequacy Threshold. As a starting point, the type of information being proposed for removal in the amendments could serve as a baseline, but details should be consulted on once further amendments to the Rule have been established.</p>

<p>Period of Comment: October 1, 2021 through October 22, 2021</p> <p>Comments From: ENMAX Corporation</p> <p>Date [yyyy/mm/dd]: 2021/10/22</p>	<p>Contact: Mark McGillivray</p> <p>Phone:</p> <p>Email: MMcGillivray@enmax.com</p>
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Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the “related material” on the Stakeholder Engagement page on the AESO website.
3. Please respond to the questions below and provide your specific comments, if any. Blank boxes will be interpreted as favourable comments.

The AESO is seeking comments from Stakeholders on the proposed amendments to Section 202.6 of the ISO rules, *Adequacy of Supply*, with regard to the following matters:

	AESO Questions to Stakeholders	Stakeholder comments
1	Do you understand and agree with the objective or purpose of the proposed amendments to Section 202.6 and whether, in your view, the proposed amendments to Section 202.6 meet the objective or purpose? If not, why?	<p>Efforts to reduce regulatory burden remain an important objective and are appreciated by ENMAX, however, this should not come at a cost to market stability and transparency. In ENMAX’s view, the proposed amendments extend beyond the scope of reasonable red tape reduction as it would remove required market transparency regarding the methodologies used by the AESO to calculate supply adequacy or cancel a planned or mothball outage. See response to Question 6.</p> <p>In addition, ENMAX is interested in further understanding how the proposed amendments will directly translate into savings for the AESO. With any regulatory efficiency initiative, the benefits should be clearly outlined and provided to the market through the Budget Review Process or similar forum.</p>
2	Do you agree that the proposed amendments to Section 202.6 are not technically deficient? If not, why?	See comments below.
3	Do you agree that the proposed amendments to Section 202.6, taken together with all ISO rules, support a fair, efficient, and openly competitive market? If not, why?	See comments below.

	AESO Questions to Stakeholders	Stakeholder comments
4	Do you agree that the proposed amendments to Section 202.6 support the public interest? If not, why?	See comments below.
5	If approved, the AESO will propose an immediate effective date. Do you agree? If not, why?	The timing for the amended Section 202.6 to take effect should coincide with the final Information Document (ID). In addition, market participants should have visibility on the ID prior to moving forward with finalizing the proposed rule changes. See comments below.
6	Do you have any additional comments regarding the proposed amendments to Section 202.6?	<p>ENMAX reiterates its previous concerns which were submitted to the AESO regarding Subsections 2, 3 and 4. ENMAX does not agree with the proposed removal of the detailed calculations for short and long-term adequacy assessments in these subsections as these calculations provide transparency on how supply adequacy is determined and is considered valuable information to the market to properly plan and manage our resources.</p> <p>While it may be appropriate to move some of the calculations into an ID, given that ID's are not authoritative in nature, the rule itself should provide market participants with a predictable measure of the AESO's forecast supply adequacy assessment.</p> <p>As such, a stakeholder discussion is required to determine what details should remain in the rule (versus an ID) and whether additional criteria (such as certain thresholds) should be included in the rule relating to the AESO's forecast supply adequacy assessment.</p>
7	Please provide any comments or views on the need for the development of a related information document, including the type of content that should be included.	Stakeholders should have an opportunity to review and comment on the development of any related ID, and the effective dates for both the ID and proposed amended Section 202.6 should coincide. This would provide stakeholders with certainty that the same level of transparency will be included in the rule and ID and allow for time to highlight and address any inconsistencies.

<p>Period of Comment: October 1, 2021 through October 22, 2021</p> <p>Comments From: Heartland Generation Ltd.</p> <p>Date [yyyy/mm/dd]: 2021/10/06</p>	<p>Contact: Shanelle Sinclair</p> <p>Phone: 403 369 7769</p> <p>Email: Shanelle.sinclair@heartlandgeneration.com</p>
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3. Please respond to the questions below and provide your specific comments, if any. Blank boxes will be interpreted as favourable comments.

The AESO is seeking comments from Stakeholders on the proposed amendments to Section 202.6 of the ISO rules, *Adequacy of Supply*, with regard to the following matters:

	AESO Questions to Stakeholders	Stakeholder comments
1	Do you understand and agree with the objective or purpose of the proposed amendments to Section 202.6 and whether, in your view, the proposed amendments to Section 202.6 meet the objective or purpose? If not, why?	While the objectives are clear there are unintended consequences that create uncertainty for market participants. ISO Rule Section 306.5 - <i>Generation Outage Reporting and Coordination</i> and 306.7 - <i>Mothball Outage Reporting</i> both rely on subsection 2 of the Rule to determine whether the AESO will cancel an outage. When the AESO uses Section 202.6 to cancel and outage or bring back a long lead time asset, the process by which the AESO deems there to be a short-term supply event should be stipulated within an ISO Rule.
2	Do you agree that the proposed amendments to Section 202.6 are not technically deficient? If not, why?	Yes, the proposed Rule is technically deficient because it removes AUC oversight of these supply shortfall calculations.
3	Do you agree that the proposed amendments to Section 202.6, taken together with all ISO rules, support a fair, efficient, and openly competitive market? If not, why?	No.
4	Do you agree that the proposed amendments to Section 202.6 support the public interest? If not, why?	No see above.

	AESO Questions to Stakeholders	Stakeholder comments
5	If approved, the AESO will propose an immediate effective date. Do you agree? If not, why?	
6	Do you have any additional comments regarding the proposed amendments to Section 202.6?	Heartland Generations understands that in most instances where there is no short-term supply shortfall event the proposed amendments will reduce red tape. However as stated above, if the AESO's calculation leads it to believe that an outage should be cancelled or a long lead time asset should be returned, then, the AESO should have to show, given the criteria in the current ISO Rule, how this calculation was made.
7	Please provide any comments or views on the need for the development of a related information document, including the type of content that should be included.	The information document should be consulted upon before the Rule is finalized.

<p>Period of Comment: October 1, 2021 through October 22, 2021</p> <p>Comments From: TransAlta Corporation</p> <p>Date [yyyy/mm/dd]: 2021/10/22</p>	<p>Contact: Luis Pando</p> <p>Phone: 403-267-3627</p> <p>Email: Luis_Pando@transalta.com</p>
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The AESO is seeking comments from Stakeholders on the proposed amendments to Section 202.6 of the ISO rules, *Adequacy of Supply*, with regard to the following matters:

	AESO Questions to Stakeholders	Stakeholder comments
1	Do you understand and agree with the objective or purpose of the proposed amendments to Section 202.6 and whether, in your view, the proposed amendments to Section 202.6 meet the objective or purpose? If not, why?	<p><i>The proposed amendments raise concerns about transparency and providing certainty to market participants that must be addressed.</i></p> <p>Section 202.6 is an important component within the framework of the activities the AESO exercises to ensure adequacy of supply. While we found it helpful that the AESO provided more details in its October 1, 2021 Letter of Notice about how it assesses supply shortfall and real-time adequacy issues in practice as well as results of its real-time adequacy assessment calculation, if anything, the additional information highlights the need for more transparency not less. TransAlta encourages the AESO to continue to provide this level of information (Appendix A: Overview of AESO Supply Adequacy Measures) to stakeholders and provide updates when any changes are made so that market participants can better understand the AESO’s practices.</p> <p>TransAlta expressed the importance of the supply adequacy forecast as it is used by participants to make unit commitment decisions that could impact system reliability. As previously stated, our view is that:</p> <ul style="list-style-type: none"> • The rule is necessary to place regulatory requirements on the AESO to produce Supply Adequacy Forecasts in a prescribed manner. • The rule is intertwined with other rules that can have significant impacts on market participants and the market.

	AESO Questions to Stakeholders	Stakeholder comments
		<ul style="list-style-type: none"> As proposed, the AESO is eliminating important checks and balances that provide clarity and transparency that market participants rely on. <p>TransAlta believes that with further discussion with stakeholders there may be a way to achieve red tape reductions to meet the AESO’s objectives and also satisfy the needs of market participants. We do not agree that the written process has been effective for these proposed amendments and request the AESO to hold a stakeholder session to explore alternative options.</p>
2	Do you agree that the proposed amendments to Section 202.6 are not technically deficient? If not, why?	<p><i>The proposed amendments render the rule technically deficient because they remove details that are important to ensure appropriate governance.</i></p> <p>The amendments to section 202.6 remove the necessary transparency required to understand the AESO’s forecast of supply adequacy and is technical deficient because it creates too much discretion and uncertainty regarding the triggers for out-of-market action.</p> <p>Sections 306.5 “Generation Outage Reporting and Coordination” and 306.7 “Mothball Outage Reporting” rely on subsection 2 of Section 202.6 to determine whether the AESO will proceed with cancellation of an outage.</p> <p>The current version of subsection 2 of section 202.6 states that the ISO must assess adequacy of supply “<u>to assist in determining whether to cancel a planned outage or unplanned outage of generation under section 306.5 of the ISO rules, Generation Outage and Reporting.</u>” The proposed subsection 2 only requires the AESO to forecast supply adequacy and eliminates the minimum requirement to complete a supply and load forecast using the prescribed calculation approach contained in the rule. Removal of that requirement would permit the AESO to take action without any consideration of supply and load forecast and raises concerns that the AESO’s could take actions that impact generators in a manner that is not based on data but on a broad exercise of judgment.</p> <p>Generators, the AESO, and the broader market benefit from having a clear and transparent framework that explains the specific details of the assessments that the AESO uses in assessing adequacy of supply and the thresholds or triggers that would cause the AESO to intercede and take out-of-market action.</p>

	AESO Questions to Stakeholders	Stakeholder comments
3	Do you agree that the proposed amendments to Section 202.6, taken together with all ISO rules, support a fair, efficient, and openly competitive market? If not, why?	<p><i>The proposed amendments do not support a fair, efficient, and openly competitive market</i></p> <p>This information and details in the current rule support Fair, Efficient, and Openly Competition whereas the proposed amendments that remove these important details raises concerns about AESO intervention in the market. The AESO suggested that it needed to amend its forecasting approach as one of the drivers for these rule changes but to date the AESO has provided no details about those changes and instead has focused this consultation solely on removing any requirements for it to disclose those changes. This approach increases concerns rather than allaying them.</p>
4	Do you agree that the proposed amendments to Section 202.6 support the public interest? If not, why?	<p><i>The AESO has not demonstrated how the proposed amendments support the public interest.</i></p> <p>The AESO argues that these amendments will eliminate ~ 800 requirements and achieve a 2.5 per cent red tape reduction. However, the proposed amendments appear to be mainly motivated on the AESO's objective to meet its Red Tape Reduction (RTR) target set by the Government.</p> <p>As stated in other consultations (i.e., 2022 Budget Review Process), TransAlta would like to understand how the AESO counts these reductions in order to understand the real impact in terms of efficiencies and cost reductions in terms of AESO business.</p>
5	If approved, the AESO will propose an immediate effective date. Do you agree? If not, why?	<p><i>TransAlta disagrees with an immediate effective date.</i></p> <p>TransAlta does not support the amendments as proposed or an immediate effective date for those amendments. As requested above, TransAlta requests additional stakeholder consultation on the proposed amendments. TransAlta believes that a more reasonable proposal can be achieved and that a stakeholder review and consultation on the proposed Information Document should be completed before the AESO files an application with the Commission.</p>
6	Do you have any additional comments regarding the proposed amendments to Section 202.6?	<p><i>More transparency should be provided about what the Supply Adequacy Forecast assumes for price responsive load and long lead time assets.</i></p> <p>TransAlta reiterates its request for more clarity about how price responsive loads are considered in the load forecasts as well as how long lead time assets are accounted for in the adequacy forecast. This information is needed to fully understand what the adequacy</p>

	AESO Questions to Stakeholders	Stakeholder comments
		forecast is presenting and how changes in these parameters may affect the forecast result.
7	Please provide any comments or views on the need for the development of a related information document, including the type of content that should be included.	<p>As stated above, we believe that a stakeholder session on the Information Document should be conducted before any proposed rule change is filed with the Commission.</p> <p>TransAlta seeks the same comparable level of detail including the amendments or changes in the forecast process that would impact the information presented in the adequacy report. We also ask the AESO to provide information about its adequacy practices and measures. Furthermore, we ask for checks and balances to be implemented that will keep this information document updated including a commitment to consult with stakeholders before making significant changes to those practices and measures including specific indicators and thresholds related to supply adequacy.</p>

<p>Period of Comment: October 1, 2021 through October 22, 2021</p> <p>Comments From: TransCanada Energy Ltd. (“TCE”)</p> <p>Date [yyyy/mm/dd]: 2021/10/22</p>	<p>Contact: Mark Thompson</p> <p>Phone: 403-589-7193</p> <p>Email: markj_thompson@tcenergy.com</p>
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3. Please respond to the questions below and provide your specific comments, if any. Blank boxes will be interpreted as favourable comments.

The AESO is seeking comments from Stakeholders on the proposed amendments to Section 202.6 of the ISO rules, Adequacy of Supply, with regard to the following matters:

	AESO Questions to Stakeholders	Stakeholder comments
1	Do you understand and agree with the objective or purpose of the proposed amendments to Section 202.6 and whether, in your view, the proposed amendments to Section 202.6 meet the objective or purpose? If not, why?	<p>TCE understands the objectives and purpose of the proposed amendments. As stated in its January 22, 2021 submission, TCE supports the removal of the wind and solar exclusion from the adequacy assessment is subsection 4(2)(b)(v) and the red-tape reduction initiative <u>provided it leads to efficiency improvements and does not have the potential to negatively impact the FEOC operation of the market.</u></p> <p>TCE submits that some of the proposed amendments fail to meet the objective since they will negatively impact the FEOC operation of the market. For more details, please refer to the response to Question 4 below.</p>
2	Do you agree that the proposed amendments to Section 202.6 are not technically deficient? If not, why?	TCE provides no comment with respect to whether or not the proposed amendments are technically deficient and shall not be interpreted as support that the amendments are not technically deficient.
3	Do you agree that the proposed amendments to Section 202.6, taken together with all ISO rules, support a fair, efficient, and openly competitive market? If not, why?	<p>No. TCE continues to object to the AESO’s proposed removal of those sections of the Rule that involve the ability of the AESO to intervene in the market, whether for short- or long-term supply adequacy.</p> <p>Over the short-term, both ISO Rule Section 306.5 - <i>Generation Outage Reporting and Coordination</i> and ISO Rule Section 306.7 - <i>Mothball Outage Reporting</i> permit the AESO</p>

	AESO Questions to Stakeholders	Stakeholder comments
		<p>to directly intervene in the market by issuing an outage cancellation directive to generators. Each of these rules requires the AESO to assess the adequacy of supply as described in subsection 2 of Section 202.6. In both cases, the financial interest of market participants could be significantly impacted.</p> <p>Over the long-term, subsection 6 of Section 202.6 permits the AESO to directly intervene in the market by, <i>inter alia</i>, procuring generation. Clearly, this will significantly impact the market.</p> <p>In its October 1, 2021, Letter of Notice, the AESO states that parties have failed to recognize its “overarching legislative duties to provide for the safe, reliable, and economic operation of the interconnected electric system, and the fair, efficient, and openly competitive operation of the market”.</p> <p>This is not the case. We are not questioning the AESO’s motives to act in a manner as required by legislation. Rather, we recognize that the legislation is imprecise and subject to varying interpretations. Indeed, Section 501.10 – <i>Transmission Loss Factors</i> is an example of an ISO Rule developed with the best of intentions by the AESO that was later found not to support the FEOC operation of the market. The point is that checks and balances are required, especially in circumstances where the AESO can intervene in the market. And the Commission can uniquely provide these checks and balances.</p> <p>The specific issue with transferring the disputed sections to an Information Document is that it provides the AESO the discretion to make amendments without consultation and Commission oversight. While the AESO may believe they are acting in a FEOC manner, without a proper forum and oversight, the AESO may cause significant impact to the market that could have otherwise been avoided.</p> <p>Recall that the legislation similarly requires market participants to conduct themselves in a manner that supports a FEOC market. Yet, there are several provisions contained in ISO Rules that provide checks and balances to ensure that market participants act accordingly. The attestation requirement contained in ISO Rule Section 306.7 – <i>Mothball Outage Reporting</i> is one example.</p> <p>TCE is sympathetic to the AESO’s requirement to reduce red-tape and is willing to work with the AESO to meet this objective. TCE recognizes that the AESO’s intervention in the market for both short- and long-term adequacy are infrequent. Perhaps a threshold could be developed to trigger when the adequacy assessments are needed as a means to reduce red-tape. Accordingly, TCE recommends that the AESO continue to consult</p>

	AESO Questions to Stakeholders	Stakeholder comments
		with stakeholders to find an amenable solution to this issue.
4	Do you agree that the proposed amendments to Section 202.6 support the public interest? If not, why?	No. ISO Rules that do not support the FEOC operation of the market do not support the public interest. Please refer to the response to Question 4 above.
5	If approved, the AESO will propose an immediate effective date. Do you agree? If not, why?	TCE recommends that the AESO include the updated Information Document with its application to the Commission. Provided this is done, TCE would not disagree with an immediate effective date. If not done, TCE would recommend that parties have the opportunity to review the updated Information Document prior to the effective date.
6	Do you have any additional comments regarding the proposed amendments to Section 202.6?	TCE has no additional comments (aside from the response to Question 7 below) at this time.
7	Please provide any comments or views on the need for the development of a related information document, including the type of content that should be included.	Any information that is removed from the Rule should be transferred to the Information Document. To be clear, however, those sections of the Rule that enable the AESO to intervene in the market should remain in the Rule. Transferring these sections to an Information Document does not support the FEOC operation of the market.