

<p>Period of Comment: May xx, 2021 through May xx, 2021</p> <p>Comments From: TransCanada Energy Ltd. (TCE)</p> <p>Date: 2021/05/25</p>	<p>Contact: Mark Thompson</p> <p>Phone: 403-589-7193</p> <p>Email: markj_thompson@tcenergy.com</p>
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Instructions:

1. Please fill out the section above as indicated.
2. Email your completed comment matrix to rules_comments@aeso.ca.

The AESO is seeking comments from Stakeholders in regards to the following matters:

	Question	Stakeholder Comments
1.	Please comment on Session #2 hosted on April 29, 2021. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	TCE appreciates all opportunities for stakeholder consultation. This session was valuable in moving the mothball outage issues forward. However, we believe that more consultation is still required.
2.	Do you have any feedback on the “transmission access” issues identified by the AESO?	<p>The AESO’s three primary mothball outage issues related to transmission access are that they may create: (i) barriers to entry; (ii) unnecessary costs; and (iii) uncertainty. The AESO describes “barriers to entry: as being “undue barriers to efficient, cost effective transmission access for new connection projects” and “unnecessary costs” as being “[i]ncremental transmission connection and system costs”. These descriptions suggest that the barriers to entry issue may be a subset of the unnecessary costs issue. As such, TCE requests that the AESO either provide confirmation that this is the case or describe how the barriers to entry issue is distinct from the unnecessary costs issue.</p> <p>TCE agrees that these issues should be addressed, and that they be balanced with the occasional need for existing generators to take mothball outages.</p>

<p>3.</p>	<p>Are there any “transmission access” alternatives the AESO did not identify that would be effective in resolving the issues raised? If yes, please provide a detailed description of the solution and how it addresses the issues.</p>	<p>Yes, there is an alternative that could better balance the objectives to minimize unnecessary transmission costs and maintain flexibility for generators taking mothball outages.</p> <p>The AESO’s Alternative 1 may or may not provide a reasonable balance due to a dependency on the AESO’s subjective discretion and due to a lack of transparency. This is because a mothball outage under Alternative 1 could be extended beyond the maximum term, but only if the extension request is approved by the AESO. Further, Alternative 1 lacks transparency because it is not clear what factors the AESO would consider when evaluating the request. As such, the balancing of the objectives may vary considerably over time</p> <p>Both Alternatives 2 and 3 focus too heavily on preventing unnecessary transmission costs and could result in generators on mothball outages being unnecessarily forced to decide to: (i) retire; (ii) return at a later date after a connection process; or (iii) return when it is uneconomic to do so (“Retire/Return Decision”). This is because, under these alternatives, the maximum term would automatically trigger this decision whether or not transmission capacity in the area is limited. This is inefficient.</p> <p>TCE recommends a more flexible and nuanced approach whereby a generator on a mothball outage is only required to make the Retire/Return Decision once the maximum term has been reached <u>and</u> the mothball outage is determined to cause unnecessary transmission costs for new connection projects. In addition, the approach should allow for the possibility of a mothballed generator to reduce its STS or be subject to a RAS rather than a more severe alternative.</p> <p>TCE submits that this approach would meet the identified transmission access principles. By triggering the retire/return decision only when transmission for a new connection in the area is limited, asset owners are afforded reasonable flexibility to efficiently manage their assets and connection and system costs are reasonably controlled.</p>
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		<p>This aligns with the principles of open competition, cost causation, stability (transparency is increased and uncertainty is decreased) and fairness.</p> <p>This nuanced approach does come with some additional complexity. For example, the timing of when the Retire/Return Decision is triggered and the timing of an asset's return to the market will need to be established. TCE expects other issues will be identified. However, the efficiency benefits warrant that such an approach be carefully examined. Consequently, we recommend that the AESO hold a workshop so that any issues can be identified and addressed.</p>
4.	<p>Do you have a preference for a transmission access alternative? Do you believe any of the alternatives should be removed from consideration? Please explain, taking into consideration the key principles of open competition, cost causation, fairness and stability, outlined in the April 29, 2021 presentation.</p>	<p>TCE prefers the nuanced approach as described in the response to Question 3 above.</p> <p>For Alternative 2, TCE requests that the AESO clarify the obligations facing a generator on mothball when its STS is reduced to 0 MW after the maximum term. Under what circumstances would the AESO anticipate a market participant to continue its STS contract at 0 MW rather than cancelling this contract?</p> <p>For Alternative 3, TCE requests that the AESO confirm that once an STS contract is terminated a generator would no longer be on a mothball outage and that it would no longer have any obligations to the AESO.</p>

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5.	Are you supportive of the AESO's recommendation to maintain the existing 24-month maximum duration? Please explain.	<p>The maximum duration is interdependent with the terms to extend a mothball outage and the minimum return to service limit. Each of these must be considered together.</p> <p>A 24-month maximum duration would be appropriate under the nuanced alternative described in the response to Question 3. Under Alternative 1, it is difficult to comment on an appropriate maximum term without knowledge of the factors the AESO is required to consider when determining whether to extend a mothball outage. Under Alternatives 2 and 3, a 24-month maximum duration would be too short considering the rather severe treatment once the maximum duration is reached. In these circumstances, a 36-month maximum duration would be more appropriate and consistent with other jurisdictions.</p>
6.	Do you agree with the current ISO rule requiring the return to service for 3 months before taking a subsequent mothball outage? Or, if the time between mothball outages is extended, what is an appropriate timeline? Please explain.	<p>The minimum return to service limit is interdependent with the terms to extend a mothball outage and the maximum duration. Each of these must be considered together.</p> <p>Ideally, a minimum return to service limit should not be required unless a generator faces an unanticipated economic shock in which case there should be no limit other than the minimum notification period.</p>
7.	Do you have any additional feedback on the interdependencies between transmission access, maximum duration, and subsequent outages? Please explain.	TCE has no further comment.

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8.	Are you supportive of the AESO's recommendation to align market participant outage cancellation notification with the declared return to service timelines? Please explain.	In principle, TCE agrees that the timelines should be reasonably aligned. However, forcing exact alignment may not be efficient. When initially declaring a return to service timeline, a generator would have to account for the uncertainty involved with staffing the generating facility following an extended mothball outage. Moreover, a market participant has to account for the fact that they would receive no advance notice as to when the AESO may direct a unit back into service. Whereas, when cancelling an outage, TCE expects there to be less uncertainty since a market participant would likely have already made staffing arrangements in advance. As a result, we expect the timeline needed to cancel an outage to be shorter than that needed after receiving direction from the AESO to return. In consideration of these points, TCE recommends that the declared return to service timeline be no more than 30 days longer than an outage cancellation notification.
9.	The AESO is considering shortening the minimum outage cancellation notification timeline. Please provide a recommended minimum timeline that allows for the flexibility needed to make business decisions. Note, the AESO requires a minimum of 30 days-notice.	TCE recommends shortening the minimum outage cancellation notification to 30 days.
10.	Are you supportive of the AESO's recommendation to maintain the existing 3-month notification requirement with the ability to request a waiver for taking a mothball outage? Please explain.	The recommendation to maintain the 3-month notification requirement with a waiver may be reasonable depending upon the criteria by which the AESO would approve the waiver. TCE requests that the AESO provide these details.
11.	Are you supportive of the AESO's proposal for separate mothball outage reporting? Please explain.	Yes. TCE agrees that the reasons for mothball outage are generally different from other outages and that transparency of such information is important for the market.
12.	Are you supportive of maintaining the 36-hour maximum start-up time for long lead time assets and a proposed modification to the rule to apply a maximum start-up time to long lead time type 2 assets? Please explain.	TCE has no comment at this time.

	Question	Stakeholder Comments
13.	Do you have any additional comments?	TCE has no comment at this time.