

December 10, 2019

Via Email: rules_comments@aeso.ca

Alberta Electric System Operator
Calgary Place
2500, 330 5th Avenue SW
Calgary, Alberta T2P 0L4

Attention: Alison Desmarais

Dear Ms. Desmarais:

Re: Alberta Electric System Operator (“AESO”) Update Letters for Notice of Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary (November 27, 2019; November 28, 2019; December 2, 2019)¹²³ Comments of Capital Power Corporation (“Capital Power”)

The AESO has notified stakeholders that they intend to proceed with an application to the Alberta Utilities Commission (“AUC”) for amendments to a series of ISO rules, as well as terms and definitions contained within the AESO Consolidated Authoritative Documents Glossary. The proposed amendments arose through the AESO’s consultation on capacity market implementation and include changes that were considered as part of the Amended EAS Market Rules and Category 2 Rules. As requested by the AESO, Capital Power provides the following comments in response to the Letters of Notice to note our concerns with the proposed next steps.

AESO Consultation and Engagement

Capacity Market Consultation

The AESO submits that “it has met the intention of sections 4 and 6 of AUC Rule 017 as a result of the consultations completed to date”⁴, and is therefore, proceeding directly to an application with the AUC. Capital Power disagrees with the AESO’s assessment of the previous consultation and requests the AESO reconult with stakeholders on the necessity and priority of the proposed amendments.

¹ AESO Update Letter for Notice of Development of a Proposed Amended ISO Rule – Section 203.1, Offers and Bids for Energy (“Section 203.1”) (November 27, 2019)

² AESO Update Letter for Proposed New & Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary (“CADG”) Terms and Definitions (TCM Updates for EAS) (November 28, 2019)

³ AESO Update Letter for Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary (“CADG”) Terms & Definitions (Administrative Updates – EAS Rules) (December 2, 2019)

⁴ Ibid

Through the course of consultation regarding capacity market implementation, the AESO determined that Category 2 rules were non-essential to implementation, and therefore grouped the proposed amendments in a package that would be addressed at a later date. Through an abbreviated consultation process, the AESO sought stakeholder feedback on these proposed amendments.

Given the priority of other active consultations, the breadth of material, and tight timelines, stakeholders were unable to fully assess and provide complete feedback on the issues that the AESO is now proposing to advance to an application. Further, the consultation that was completed was done in the context that the capacity market would be implemented. This is no longer the case. Capital Power is concerned that changing circumstances may have impacted the underlying rationale for the rule changes as well as stakeholder views. Additionally, some issues (described below) remain unaddressed. Accordingly, Capital Power submits that it is necessary to re-issue the rules for stakeholder consultation prior to proceeding to an application.

Future Engagements

In recent communications, the AESO has noted their intention of advancing the Flexibility Roadmap and updating the analysis supporting the Net Demand Variability study. The AESO intends to complete this work in 2020. With the cancellation of the capacity market and the Renewable Electricity Program, the proposed rule changes may no longer be supported by this analysis. Capital Power submits that the AESO should complete this work. Thereafter, it may be appropriate to revisit the proposed ISO rule amendments with stakeholders.

Issues That Require Further Engagement

ISO Rule 203.1 – Offers and Bids for Energy

The requirement proposed by the AESO to add a ramp table in energy offers requires further review with stakeholders. As noted in prior comments, Capital Power is not opposed to the requirement, however, additional consultation should be undertaken to reconfirm the purposes for collecting the data. This should occur after the AESO has completed the updates to the Net Demand Variability analysis.

If the analysis continues to support the requirement for a ramp table, the AESO should reconvene stakeholders to establish a workable format for the submission and determine the appropriate margins of variance that would require updates.

Finally, any changes to the Energy Trading System to support this requirement must also involve consultation with stakeholders to ensure stakeholders have sufficient opportunity to update or develop the necessary internal systems to comply with the requirements.

ISO Rule 302.1 – Real Time Transmission Market Constraint Management

The AESO is proposing changes to the requirements for transmission constraint management. Capital Power submits that additional consultation with market participants is necessary to address outstanding items. Specifically, there is a need for communication requirements for transmission facility operators to notify market participants of outages that may impact generators.

With the revised definition of Acceptable Operational Reason, there is currently no effective mechanism for communication of these outages which could lead to challenges for market participants fulfilling the requirements for available capability restatements.

Capital Power appreciates the opportunity to submit comments to the AESO for consideration prior to filing an application to the Commission for their proposed ISO Rule amendments. Should you have any questions, please contact the undersigned at cmrobb@capitalpower.com or by phone at (780) 392-5169.

Sincerely,

<*Submitted Electronically*>

Colin Robb
Senior Advisor, Regulatory & Environmental Policy
Capital Power Corporation

Cc:
Jason Comandante, Vice President, Regulatory & Environmental Policy