



9 December 19

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

Attention: Alison Desmarais
Regulatory Administrator, Legal & Regulatory Affairs

Dear Ms. Desmarais,

RE: Proposed Amendments to ISO Rules

Heartland Generation Ltd. is writing you to express its concerns with the AESO's series of proposed rule amendments. The AESO has informed stakeholders that it will apply to the Alberta Utilities Commission (AUC) for approval of a series of rule amendments drawn from both the proposed Amended EAS Market Rules and Category 2 Rules, without the capacity market-related content. The AESO requested that stakeholders with "significant concerns" regarding these rule amendments submit them in writing by December 10, 2019. Heartland Generation Ltd. (HGL) submits the following concerns with the proposed amendments:

1. Lack of consultation

In the letters of notice for the proposed amendments, the AESO states that it "is of the view that it has met the intention of sections 4 and 6 of AUC Rule 017 as a result of the consultations completed to date." HGL strongly disagrees with this view. The bulk of these consultations were conducted over a year ago, with many significant developments in the interim. Furthermore, the consultations were conducted in the context of implementing a capacity market, which has since been cancelled. The circumstances under which these consultations took place have changed and further consultation is required. To abide by its Consultation Framework, the AESO must engage stakeholders in a meaningful and transparent way.

2. Section 203.1, *Offers and Bids for Energy*

In a letter for notice issued on November 27, 2019 the AESO indicated that it would apply to the AUC for approval of amendments to Section 203.1, *Offers and Bids for Energy*. Particularly, the proposed amendment to 6(1) of 203.1 appears as follows:

6(1) A pool participant that submits an offer must also submit the following operating constraints:

- (a) ramp rate;**
- (b) for a generating source asset, a ramp table in the manner the ISO specifies after a date specified by the ISO; and**
- (c) the initial start-up time.**



During the capacity market consultations, the AESO confirmed that the requirement to submit a ramp table would be for informational purposes only, saying:¹

The AESO confirms that, at this point in time, the ramp table will only be used by AESO system controllers for information on dispatch certainty in real time and input in the AESO's dispatch forecasting tool. However, the ramp table is a vital part of the dispatch tolerance consultation in the future, and may inform dispatch tolerance and ramping compliance design. [emphasis added]

First, it is not clear whether the AESO still intends for the ramp table to be for informational purposes only, or whether it will in fact have implications for dispatch compliance and increase compliance risk for generators. The AESO's clarification in this regard specifically referred to being made "at this point in time," which was over a year ago and within the capacity market context; it is therefore ambiguous whether the AESO is still of this position or if its intentions have changed. Second, adhering to a pre-defined ramp table is difficult if not impossible, especially for certain types of generators. For example, coal generators experience significant variation in their ramp rate because of fuel switching, the requirement to meet environmental limits, fluctuations in coal quality, and the requirement to manage real-time emissions, among other things. Cogeneration facilities would face similar difficulties. Therefore, pre-defined ramp tables would provide little to no value.

Conversely, given this variability in the ramp rate, creating an accurate ramp table would be onerous and require significant time to complete. The cost to generators of submitting a ramp table along with each offer would therefore be non-trivial. This increase in administrative burden would also be compounded by the apparent requirement of 6(2) for generators to update the AESO of any change in ramping capability "as soon as reasonable practicable," regardless of materiality. For example, it appears that even a transitory and insignificant change in operating characteristics would require submitting an updated ramp table to the AESO. When questioned about this during the capacity market consultations, the AESO did not provide any additional clarity, and simply responded that it "intends for the values in the ramp table to reflect the real-time operating characteristics of the asset, and to be updated with any changes to the operating constraints of the asset as soon as reasonably practicable."² The AESO does not indicate if there will be a mechanism to re-submit ramp tables to system controllers in real time and if that would be more efficient than the current practice of communication of fluctuations directly with the system controller during ramping. This information could form part of the consultation on the ISO Rule changes.

In conclusion, HGL submits that the material costs of submitting a ramp table would outweigh the benefits (if any) of doing so. Furthermore, the previous consultations pertaining to this amendment were conducted under materially different circumstances and should not count towards the AESO's obligation to consult under AUC Rule 017. HGL also questions why such an amendment is necessary when the issue of dispatch tolerance is already being contemplated as part of the AESO's Flexibility Roadmap. The AESO has indicated that it intends to use the ramping tables to inform its "dispatch tolerance and ramping compliance design," which appears to make this amendment redundant with the work already

¹ Market Participant Comments and AESO Replies Matrix, "Proposed Amended Section 203.1 of the ISO rules, Offers and Bids for Energy," 2018-12-20.

² Ibid.



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being conducted as part of the Flexibility Roadmap. HGL requests that the AESO consults with stakeholders on this amendment and provides transparency to market participants on how this amendment relates to the Flexibility Roadmap.

We appreciate the AESO's attention on this matter. Please send any correspondence or questions to Shanelle.sinclair@heartlandgeneration.com or by phone at (403) 369 – 7769.

Sincerely,

A handwritten signature in blue ink that reads "Shanelle Sinclair". The signature is written in a cursive, flowing style.

Shanelle Sinclair
Manager, Regulatory & Policy
Heartland Generation Ltd.

CC: Gillian Barnett, Regulatory Legal Counsel