

Load Shed Services for imports (LSSi) Frequently Asked Questions



*This document was originally posted on May 9, 2018 and will be updated as additional questions and answers are available. New questions and responses are indicated in **blue text**.*

Updated: May 24, 2018

Competition

1. Can the LSSi competition deadlines be extended?

The expected dates for competition stages are identified in the LSSi Request for Expressions of Interest (REOI) document found [here](#). These dates have been set to ensure that new service providers will have adequate time to complete the necessary facility upgrades prior to the commencement of the term of the Import Load Shed Service Agreements (ILSA) on January 1, 2019.

2. Do I need to submit an EOI Form in order to participate in the RFP?

No, submitting an Expression of Interest (EOI) form is not a prerequisite to participating in the Request for Proposals (RFP). The information from the EOI will aid the AESO in developing the LSSi competition.

3. How do we communicate with the AESO?

Before the RFP competition stage opens on June 1, 2018, you can communicate with the AESO by sending an email to LSSi@aeso.ca. To maintain the integrity of the competition, after the RFP has been posted, you will be required to communicate with the AESO using the communication methods outlined in the RFP.

4. What are the competition next steps?

EOI form submissions are due May 14, 2018. The RFP competition stage will open June 1, 2018, at which time the RFP including draft Import Load Shed Agreement (ILSA) will be posted to SharePoint. Registration for the RFP and SharePoint is required and can be requested by emailing LSSi@aeso.ca. Any further updates to the competition will be posted on the AESO website: www.aeso.ca/market/ancillary-services/procurement/

5. Will there be adequate LSSi volumes in place from July-December 2018?

Yes, sufficient LSSi volumes are in place to maintain normal intertie operations through to the end of 2018.

Payment Mechanism

6. Is there still a Minimum Arming Guarantee (MAG)?

No, the MAG has been removed and bidders have been given the ability to bid in the contracted availability price.

7. If interested parties are bidding in both the availability and arming prices, how will the arming merit order be set?

The operational LSSi merit order process will be unchanged. Of the LSSi volumes offered, the lowest arming priced volumes will be armed first. The availability price bid during the RFP will not affect the arming merit order. The availability price will be used for evaluation and if selected will be the successful bidders contracted availability price.

8. In reference to the availability payments, can a facility’s availability factor be greater than one?

No, the availability factor will be capped at one (1.0) or the equivalent of 100%.

9. Has the AESO considered alternate payment structures?

Yes, the AESO has considered a number of payment mechanisms in an attempt to balance the availability of load to participate and the potential cost of LSSi.

10. What mechanisms are in place to ensure LSSi is being provided when required?

The payment mechanism incorporates an availability factor that will reduce the Service Provider’s hourly availability payments based on the actual offered volume relative to contracted volume. Additionally, while Service Providers are armed, they are required to maintain their loads within the tolerance bands as described in the LSSi Requirements.

11. Is the availability factor described in the payment mechanism intended to be hourly or monthly?

All payments including Arming, Availability and Trip payments are paid monthly as the sum of hourly payments for the month. The measurement of available offered volume will be calculated hourly. The table below provides an illustration of the availability factor calculation at different hours within a month.

Contracted Load	100 MW	Availability Factor in each hour
Average actual offered volume: Hour 1	50 MW	50/100= 50%
Average actual offered volume: Hour 2	75 MW	75/100=75%

12. Will there be an opportunity for LSSi Service Providers to make available more than their contracted volume in real time, such as 5 MW or 5% throughout the term?

The AESO has identified and is procuring sufficient LSSi for its needs. Additional contracted volumes will not be necessary.

Technical Requirements

13. Have any material updates been made to the LSSi technical requirements that were used for the previous procurement?

The technical requirements are substantially similar to the requirements used for the previous procurement. All interested parties are encouraged to review the technical requirements and ask questions to ensure they are able to meet them prior to bid submission. For reference, the LSSi technical requirement document has been included as an attachment in the LSSi REOI document posted on the AESO website [here](#).

RFP and ILSA

14. Why is the AESO procuring a lower volume of LSSi?

AESO regularly completes detailed technical studies to evaluate the need for LSSi and other ancillary services. The recent study completed in 2017 determined that less LSSi is required to maintain system reliability.

15. How will AESO select the successful bidders given the two part bid requirement?

The evaluation criteria and process will be detailed in the RFP.

16. Why don't LSSi definitions for force majeure and forced outages align with Operating Reserves?

The definitions of force majeure and forced outage align with industry practices for these types of services.

17. Why is the Trip price not bid in during the RFP?

The Trip price is intended to align with the price ceiling of the energy market.

18. Will LSSi providers have the opportunity to adjust their contracted LSSi volumes throughout the three year contract?

Given the three year term of the contracts and the competitive nature of the procurement, volumes will not be adjusted.

19. How will LSSi interface with the capacity market?

The draft ILSA itself does not prohibit participation in the capacity market. However, please note that the Capacity Market Design ("CMD") is still under development. Interested parties are encouraged to review the CMD materials on the AESO's website as they become available.

20. Will facilities be able to submit multiple RFP prices and/or multiple contracts?

Proponents may submit more than one RFP proposal and execute more than one ILSA with the AESO. Each LSSi Service Provider that is awarded an ILSA must be able to directly and individually communicate with the System Controller and trip as described in the LSSi Requirements.

21. Will the AESO provide historical LSSi Arming and intertie data?

The AESO has posted LSSi arming volumes (2015-March 30, 2018) and 2017 scheduled intertie flows on the AESO website [here](#) in response to a data request. For further information on data requests, please see the Data Request page on the AESO website [here](#).

22. How many LSSi trip events have occurred?

There have been three trip events (2012, 2013, and 2015) during the period of January 1, 2012 to April 30 2018. The Market Surveillance Administrator (“MSA”) has included data on the cost of LSSi and trip events in their Q4 2016 Quarterly Report found [here](#).

23. Is it possible for the AESO to expand the LSSi Tolerance Bands when armed?

The AESO requires LSSi load that is armed to stay within 95% to 150% of the armed volume; this requirement is outlined in the LSSi Requirements. This is necessary so that the AESO is better able to predict the amount of LSSi volume available should a trip occur. Ideally, the AESO would prefer all LSSi Service Providers to maintain their LSSi armed volume at 100%.