

<p><b>Period of Comment:</b> October 26, 2020 through November 9, 2020</p> <p><b>Comments From:</b> Capital Power Corporation</p> <p><b>Date [yyyy/mm/dd]:</b> 2020/11/09</p>	<p><b>Contact:</b> Brittney Morgan</p> <p><b>Phone:</b> 403.717.8164</p> <p><b>Email:</b> bmorga@capitalpower.com</p>
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**Instructions:**

1. Please fill out the section above as indicated.
2. Please refer back to the *Letter of Notice for Feedback on the Content of Proposed Options for Amended Section 505.2* under the “Related Materials” section to view the actual draft proposed materials on amended Section 505.2.
3. Please respond to the questions below and provide your specific comments, proposed revisions, and reasons for your position underneath (if any). Blank boxes will be interpreted as favourable comments.
4. Please be advised that general comments do not give the AESO any specific issue to consider and address, and results in a general response.

Item #		Stakeholder comments
1	Please comment on the stakeholder session hosted on October 8, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?	<p>Capital Power appreciates the opportunity to provide comments on the AESO’s Draft Proposed Amended Section 505.2 of the ISO Rules, <i>Performance Criteria for Refund of Generating Unit Owner’s Contribution</i>. Capital Power provides the following comments for consideration.</p> <p>Capital Power participated in the stakeholder session hosted on October 8, 2020 and while the session provided a general overview of the Options, it would have been helpful to attendees if the draft rule language for Options 1 and 2 had been provided in advance of the session. This would have given participants the opportunity to review the proposed options, assess them more thoroughly and provide more valuable feedback to the AESO during the session. Providing an example calculation of each Option would have also helped demonstrate to stakeholders how the Options differ from the existing rule and the impact to existing generators eligible for GUOC.</p>

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2	Which option do you prefer and why?	<p><b>Capital Power prefers Option 1 – simplify rule language to incorporate proposed ISO tariff changes.</b> Capital Power submits that Option 1:</p> <ul style="list-style-type: none"> <li>• is consistent with the changes applied for in the 2018 ISO Tariff.</li> <li>• maintains market participant flexibility to operate generating units in a manner that best suits the circumstances of the facility.</li> <li>• generally reflects the practice today, providing the AESO and market participants certainty regarding the calculation of performance assessments.</li> </ul> <p>Capital Power submits that Option 1 addresses the problem statement(s) detailed in the October 8<sup>th</sup> stakeholder presentation, while also eliminating redundancy.</p>
3	Do you have any concerns with the option you chose?	<p>No definition for “critical maximum capability” in Option 1 is provided. Consequently, Capital Power strongly recommends that one be added and proposes that the definition for “critical maximum capability” should be as follows:</p> <p>“the current maximum capability of the generating unit or aggregated generating facility while the Rate STS system access service agreement is in effect”</p> <p>This definition addresses the change applied for in the 2018 ISO tariff, where GUOC is no longer calculated based on the Rate STS contract capacity, but instead calculated based on maximum capability.</p>
4	Do you have any concerns with the option you did not choose?	<p>As written, Option 2 lacks clarity that is present in the current rule, and in Option 1. Specifically, Option 2:</p> <ul style="list-style-type: none"> <li>• provides unclear definitions of terms, including “critical maximum capability” and “energized maximum capability.”</li> <li>• may not provide market participants with flexibility to operate their generating units efficiently. For example, if a market participant is able to achieve efficiency gains of approximately 10 MW five years into the life of a project, that generator would be assessed a penalty factor because the critical maximum capability no longer equals the energized maximum capability.</li> <li>• does not account for operational constraints, including planned and unplanned outages. As an example, it is unclear in the proposed rule, if on the first day of the calendar year during the refund period whether the generating unit would be assessed a penalty factor for being unavailable.</li> <li>• does not account for technology limitations. For example, solar panel degradation rates will result in the maximum capability of a solar power plant decreasing over time. Under Option 2 as proposed, solar projects would thus be assessed a penalty factor and faced with reduced GUOC refund rates for something that is not a result of operational conduct, but rather a function of the current state of the technology.</li> <li>• does not account for events outside the generating unit owner’s control that may impact the generating facility’s</li> </ul>

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		<p>availability or penalty factor assessment.</p> <p>Given these concerns, Capital Power does not support Option 2 at this time.</p>
5	Any additional comments regarding the proposed amended Section 505.2?	<p><b>In light of the AESO not responding to this round of comments prior to drafting the final rule, and the desire to file the rule change as soon as possible to align it with the proposed January 1<sup>st</sup> effective date of the 2018 ISO Tariff, Capital Power submits that the AESO should not proceed with Option 2 at this time.</b></p> <p>Option 2 is a significant change from the current approach that, as currently proposed and as noted above, Capital Power believes would present several issues and concerns if adopted. With respect to the AESO's intention to file the amended rule with the AUC under the provisions of the <i>Electric Utilities Act</i> allowing for expedited ISO rules, it is important to note that process does not provide substantive opportunity for intervenor comments. Given this, and Capital Power's aforementioned concerns with Option 2, Capital Power would not support the AESO proceeding with Option 2 on an expedited basis at this time. However, if the AESO facilitated an additional stakeholder session to discuss the current limitations and lack of clarity in Option 2 and addressed stakeholder concerns, Capital Power may be willing to further consider supporting Option 2.</p>

***Please provide any additional comments or views on the type of content that should be included in an information document associated with the proposed amended Section 505.2***

Capital Power recommends the following content should be included in an information document associated with the proposed amended Section 505.2:

- regardless of which Option the AESO proceeds with, an example calculation demonstrating how the generating unit will be assessed its GUOC refund should be provided. This will ensure the assessment process is transparent and give market participants the ability to predict and confirm the amount of GUOC that will be refunded to their generating facility(s) in any given year.
- provide reference to ISO rules related to declaring and/or changing a generating facility's maximum capability.