

Stakeholder Comment Matrix – January 5, 2021

Development of Proposed Amendments to Section 202.6 of the ISO rules, *Adequacy of Supply* (“Section 202.6”)



Period of Comment: January 5, 2021 through January 22, 2021	Contact: Mark Thompson
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Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the Letter of Notice under the “Related Materials” section to view related materials.
3. Please respond to the questions below and provide your specific comments (if any). Blank boxes will be interpreted as favourable comments.

The AESO is seeking comments from Stakeholders on the development of proposed amendments to Section 202.6 of the ISO rules, Adequacy of Supply, with regard to the following matters:



Development of a Proposed ISO Rule		Stakeholder Comments and/or Alternate Proposal
1.	Do you agree or disagree that the issue identified requires the development of proposed amendments to Section 202.6? Please comment.	<p><i>In its Letter of Notice, the AESO identified the need to revise Rule 202.6 to address two issues: (i) to reconsider certain inputs in adequacy assessments including removing the exclusion of wind and solar from subsection 4(2)(b)(v); and (ii) to facilitate the AESO’s current red-tape reduction initiative.</i></p> <p><i>TCE agrees with removing the exclusion of wind and solar from subsection 4(2)(b)(v) now that renewables are a larger component of the supply mix in Alberta. As stated by the AESO, the reserve margin metric is a valuable metric for market participants. Knowing how the metric is calculated is similarly valuable as the result can change significantly depending on the assumptions and formula used. As such, TCE recommends that the AESO provide the formula and how it will incorporate wind and solar in an information document.</i></p> <p><i>TCE requests that the AESO confirm whether it intends to maintain the exclusion of wind and solar from subsection 4(2)(c)(v).</i></p> <p><i>TCE supports the red-tape reduction initiative, provided it leads to actual efficiency improvements and does not have the potential to negatively impact the FEOC operation of the market. Please see below for details as to whether the AESO’s proposed red-tape reduction amendments meet this condition.</i></p>



<p>2.</p>	<p>Do you agree or disagree with the potential objective or purpose of proposed amendments to Section 202.6? Please comment.</p>	<p><i>TCE supports some of the proposed amendments to Rule 202.6. However, TCE has concerns with, and thus does not support, some other of the proposed amendments.</i></p> <p><i>TCE supports the removal of detailed calculations in cases where the adequacy metric is merely provided to market participants and the results of the metric could not cause the AESO to intervene in the market. In these cases, the detailed calculations should be provided in an information document so that they are useful to market participants. Similarly, TCE would support the removal of requirements that are repetitive of existing legislation.</i></p> <p><i>However, TCE does not support the removal of the detailed calculations for an adequacy metric if the results of that metric could cause the AESO to intervene in the market. In such cases, removal of the detailed calculations would allow the AESO to unilaterally change the calculation in a manner that may negatively affect the FEOC operation of the market. In such cases, TCE submits that Commission oversight is required and the detailed calculations should remain within Rule 202.6. More detail is provided below.</i></p> <p>Subsection 2</p> <p><i>Subsection 2 requires that the AESO use a prescribed formula to assess supply adequacy in order to assist the AESO in determining whether to cancel a generation outage. The AESO proposes to remove the prescribed calculation on the basis that it uses an automated process to perform the calculation and that the calculation has not been relied upon to cancel an outage. With respect, the concern is that by removing the prescribed formula from Rule 202.6, the AESO may change the calculation without Commission oversight and rely upon it to cancel an outage. As such, this proposed amendment could impact the FEOC operation of the market. TCE does not support the proposed change to subsection 2.</i></p> <p>Current Subsection 3</p> <p><i>The AESO proposes to remove the entirety of the current subsection 3 on the basis that it does not align with how the AESO manages supply shortfall in real-time. Instead, the AESO states that it relies upon the requirements set out in Rule 202.2. However, subsection 2 of Rule 202.2 requires the AESO to manage a state of supply</i></p>
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Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
	<p><i>shortfall that may include issuing directives to generators or shedding firm load if a supply shortfall event is forecast pursuant to subsection 3 of Rule 202.6. As such, it is not clear to TCE how the AESO could remove this subsection without requiring commensurate amendments to Rule 202.2. TCE is not aware of any proposed amendments to Rule 202.2. Further, pursuant to Rule 202.2, subsection 3 of Rule 202.6 can directly impact the AESO’s intervention in the market. For these reasons, TCE does not support the removal of the current subsection 3 as currently proposed.</i></p> <p>Current Subsection 4</p> <p><i>TCE agrees with the AESO that the long-term adequacy metrics provide the market with valuable information and ought to be maintained. TCE supports the removal of the prescriptive assessment methodologies only for those metrics that cannot lead to market intervention on behalf of the AESO. For this reason, TCE does not support the proposed amendments to the current subsection 4(2)(d) (proposed subsection 3(2)(d)), which is relied upon by the AESO to determine the long-term adequacy threshold and to take long-term adequacy threshold actions pursuant to the current section 6 of Rule 202.6. As mentioned above, to the extent that calculation details are removed from Rule 202.6, they should be moved to an information document.</i></p> <p>Current Subsections 5 and 6</p> <p><i>TCE supports the minor amendments proposed in the current subsection 5 as they are minor and would not impact the FEOC operation of the market.</i></p> <p>Current Subsections 7 and 8</p> <p><i>TCE supports the proposed removal of the current subsection 7 for the reasons provided by the AESO.</i></p>

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3.	Do you agree or disagree with the proposed form of consultation and timelines? Please comment.	<i>The proposed form of consultation is reasonable subject to one modification. It appears that the AESO will only provide written responses to stakeholder comments after it receives comments on the final draft of the proposed amendments. TCE recommend that the AESO also provide written responses to the comments it receives on January 22, 2021 as this will for a better understanding of the AESO’s position and avoid repetition.</i>
4.	Do you have any additional comments?	<i>TCE has no further comments at this time.</i>