

Stakeholder Comment Matrix

Draft Proposed New and Amended ISO Rules and AESO Consolidated Authoritative Document Glossary (“CADG”) Terms and Definitions collectively referred to as the “TCM Updates”



Period of Comment: January 29, 2021 through February 16, 2021

Comments From: Capital Power

Date [yyyy/mm/dd]: Feb. 16th, 2021

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Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the *Letter of Notice of a Proposed ISO Rule* under the “Attachments” section to view related materials for the TCM Updates.
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	Whether you understand and agree with the objective or purpose of the proposed TCM Updates and whether, in your view, the proposed TCM Updates meets the objective or purpose, and if not, why.	<p>Capital Power understands the AESO’s objective to update the TCM rule and appreciates the provision of rationale documentation as it further assists in reviewing the proposed changes. The AESO has provided clarity on how it plans to approach managing specific situations that do not necessarily fall within the scope of rule 302.1.</p> <p>While the proposed changes may meet the AESO’s objective to clarify how it wants market participants to handle situations where a transmission connected generator asset is disconnected from the system, or a distribution connected generator is constrained or disconnected; Capital Power remains concerned that this exposes a specific set of situations that would be more appropriately dealt with in a different way. As such, Capital Power is not of the opinion that these changes are administrative in nature and reaffirms its prior comments that the AESO consult more broadly on this issue.</p> <p>Further, by amending the definition of an acceptable operating reason (AOR) to allow market participants to submit a transmission disconnection and distribution congestion / disconnection as acceptable, the AESO has effectively impacted the definition of available capability (AC), which is defined as “for a generating source asset, the maximum MW that the source asset is physically capable of providing”¹. The AESO’s proposed change effectively changes AC to not only reflect that what a source asset is physically capable of, but also how much its connection will allow to be delivered to the grid. This requires generating units that may be fully available to still have to provide a restatement for something that occurs at the transmission / distribution level that is out of their control. This runs counter to the definition of a generator outage record which the AUC in proceeding 3110 clearly stated as the “ability of a generating unit to produce electric energy.”²</p>
2	Whether you agree that the proposed TCM Updates is not technically deficient, and if not, why.	<p>Capital Power views the rule change as technically deficient as it creates a necessary requirement for communications between source assets and their wires provider that does not exist currently. The AESO’s rational document outlines that:</p> <p style="text-align: center;"><i>in the event of an electrical disconnection, a market participant is expected, through normal course of business, to reflect in the Energy Trading System any information it may receive from the legal owner of the relevant facility regarding any disconnection or reconnection to the interconnected electric system.</i>³</p> <p>While a market participant does keep in regular communications with wires owners, there is no "cardinal rule" that ensures that transmission / distribution operators communicate such information to impacted generators, particularly in a timely manner. The timeliness is important, as Rule 203.3 obligates a participant to represent any AC changes as soon as reasonably practicable.⁴ Currently, there are only “best effort” requirements to communicate and coordinate on planned outages only.⁵ For un-planned events there are only requirements for transmission facility owners to communicate with the AESO.⁶ This increases compliance risk and burden due to the potential for miscommunication between wires owners and generators who would be obligated to submit this information through an AC restatement.</p>

¹ AESO Consolidated Authoritative Document Glossary

² AUC Decision 3110 para 757

³ AESO TCM Updates Appendix A, p. 3

⁴ ISO Rule 203.3 2(2) A pool participant that submits an offer must, if there is a change to the available capability of the source asset as a result of any of the circumstances outlined in subsections 2(1)(a), (b) or (c), submit an available capability restatement revising the available capability for the applicable hours, as soon as reasonably practicable.

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3	Whether you agree that the proposed TCM Updates, taken together with all ISO rules, supports a fair, efficient and openly competitive market, and if not, why.	<p>Due to the communication issues outlined in item #2 above, and how the AESO plans to leverage AC restatements, Capital Power is concerned that the proposed TCM adjustments runs counter to both market participant and AESO FEOC obligations. Specifically:</p> <ul style="list-style-type: none"> • restating an asset to unavailable as a result of a transmission or distribution constraint, maybe be considered as "misrepresenting" the capability or operational status of a generating unit. This runs counter obligations under the FEOC regulation §2 d) e). • by requiring generators to submit information on behalf of wires providers, the AESO's proposed approach may put a generator in a position where they may be in position of non-public transmission outage information. This has impacts on trading operations and further adds to the compliance risk. • The proposal does not appear to contemplate reporting AESO requirements in FEOC regulation §4 (3)(a) that identifies outages by category including generating unit type, transmission facility, and electric distribution system. <p>Capital Power does note that the AESO needs to address these situations as currently there is uncertainty, inconsistency, and FEOC considerations with the lack of clarity. Unfortunately, without further consultation, Capital Power is concerned that the AESO's proposal puts undue risk on generation when in fact other market participants may be in a better position to manage the information. The AESO's approach appears to rely on using existing categorizations of how source assets manage their physical ability to deliver power (AC restatements that have clear requirements in the FEOC regulation), to solve deliverability issues on the transmission / distribution systems. Effectively this proposed solution is nothing more than a kluge, and the AESO should determine a more viable, appropriate solution to the situation they are trying to capture.</p>
4	Whether you agree that the proposed TCM Updates supports the public interest, and if not, why.	Please see Capital Power's response to items #2 and #3 above.

⁵ ISO Rule 306.4(9): The legal owner of a generating unit, the legal owner of an aggregated generating facility, the legal owner of an electric distribution system and the legal owner of load must, on a reasonable efforts basis, coordinate with the affected legal owners regarding any planned outages.

⁶ ISO Rule 304.6 2(1): The operator of a transmission facility must verbally notify the ISO as soon as possible, but within twenty-four (24) hours, of unplanned limit changes to its transmission facility, indicating the new limit, the equipment affected by the limit change, the cause of the limit change and the estimated period of time the limit change will be in effect.

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5	Any additional comments regarding the proposed TCM Updates	<p>With respect to the AESO's adoption of the terminology "transmission market constraint", Capital Power disagrees with the revision. It is a misnomer as Alberta's market does not have a transmission market, and leaves uncertainty that could create regulatory issues in the future. Capital Power suggests that the AESO review this modification to the language in its rules to provide better clarity.</p> <p>Finally, Capital Power notes that the deletion of sections 5(2) and 11(2) of rule 202.7 appear to eliminate the \$1,000/MWh price during limited market operations or a market suspension. If that was intentional, Capital Power would expect the AESO to fully consult on such a change as it is material change to the past practice, otherwise Capital Power would suggest clarification of the AESO's intent with its edits to rule 202.7.</p>