

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: TransAlta Corporation

Date [yyyy/mm/dd]: 2021/02/16

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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>TransAlta understands that the AESO is proposing revisions to <i>Section 302.1: Real Time Transmission Market Constraints</i> to differentiate “transmission market constraint” which the rule applies from other “transmission constraints”, and to align the rule to how the AESO system controllers actually manage transmission/distribution outages that disconnect generation from the Alberta Interconnected Electric System (AIES). We also understand that the current practice of system controllers to direct generators to restate their Available Capability (AC) in such situations is not currently contemplated in the definition of Acceptable Operating Reasons (AOR).</p> <p>TransAlta agrees that the rule and Consolidated Authoritative Document Glossary (CADG) should reflect actual practices and should not put market participants at risk of non-compliance for following the directions of the AESO. However, we do not agree that it is practical, fair or efficient that the owner of the generating units be held responsible for ensuring that the legal owner of the distribution or transmission facility provides timely information of disconnection or reconnection of the generating unit to the AIES. The legal</p>

Item #		Stakeholder comments
		<p>owner of the distribution/transmission facility should be required to provide this information as soon as reasonably practicable to the generating unit owner(s) or, alternatively or complementary to, a communication protocol that is enabled through AESO.</p> <p>We do not support the removal of subsection 5(2) and 11(2) from the Market Suspension or Limited Markets Operations rule.</p> <p>We further note that the revisions to <i>Section 202.7: Market Suspension or Limited Markets Operations</i> appear to have no connection to changes made related to “transmission market constraints”. More specifically, we note that the AESO is proposing to remove out subsections 5(2) and 11(2), which prescribe that the system marginal price should be set at \$1,000/MWh during a limited markets operations or market suspension event.</p> <p>TransAlta does not support this change – we note that <i>Section 201.6: Pricing</i> specifically references this rule to set out the price during a limited market operations or market suspension event. As proposed, the neither Section 202.7 or 201.6 contemplate the price being set at \$1,000/MWh and a deviation from that practices is a significant change that at a minimum should have been properly conveyed in the letter of notice and should be appropriately consulted upon with industry stakeholders.</p>
2	Whether you agree that the proposed TCM Updates is not technically deficient, and if not, why.	<p>The obligation should be on the distribution/transmission owner to provide timely information about distribution/transmission outages</p> <p>As stated above in item 1, we do not agree that it is a reasonable expectation that the generation owner be responsible for receiving timely information from the distribution/transmission system owner/operator on reconnection. The obligation should be imposed on the party (distribution/transmission owner) with the information to provide that information to the recipient (the generation owner).</p> <p>From a practical perspective, when a distribution/transmission owner does not provide information about the reconnection of a line to the generation owner, the generator is potentially harmed in two ways. First, the generation owner that restated their AC to zero loses out on the opportunity to sell their generation in the power pool. Second, the generation owner is potential subject to non-compliance risk because their generating facility’s availability is not accurately reflected. With respect to the second impact, a more practical rule would only oblige the generating facility owner to make restatements for availability impacts that related to their generating facility – impacts that the generating owner has direct knowledge of or control over. We further note that generators do not</p>

Item #		Stakeholder comments
		<p>restate AC for transmission line derates and that this different practice of requiring AC restatements for line outages versus derates is a confusing distinction.</p> <p>The use of the term “transmission market constraint” is also confusing and potentially misleading. Alberta does not have a “transmission market” – we do not have a market to buy and sell transmission rights as exists in other jurisdictions with a transmission market. Moreover, with the removal of the definition of a transmission constraint, it is not very clear how a “transmission market constraint” is different or distinct from a “transmission constraint”.</p>
3	<p>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>	<p><i>The contemplated obligation on generation owners is not fair or efficient</i></p> <p>The current proposal is inefficient as generation owners would be contacting the same transmission owner over and over again to receive this updates about the transmission outage and is unfair because the generator that receives the information first gains an information advantage over other generators that are also unavailable to the same outage.</p> <p>We understand that transmission owners are in frequent contact with the AESO with respect to transmission outages given the importance of coordinating with system controllers to ensure the safe and reliable operation of the transmission system. In this respect, the AESO is the first point of contact to receive updates on the status of transmission outages and also has systems to convey this information to the multiple generators and the market at the same time. We are not clear why the AESO would not uses its systems to convey that information to generation owners as that would ensure the information is disseminated as quickly and efficiently as possible to all generation owners/affected generation owners at the same time.</p> <p><i>Efficient pricing during a limited markets operations or market suspension event should include \$1,000/MWh.</i></p> <p>Limited market operations or market suspension event are the types of emergency events when pricing at \$1,000/MWh should be instituted to support efficient pricing. We suspect that the deletion of subsection 5(2) and 11(2) was in error but, if it was not, we ask the AESO to provide its rationale for the change.</p>
4	<p>Whether you agree that the proposed TCM Updates supports the public interest, and if not, why.</p>	<p>Please refer to our responses in item 2 and 3 above.</p>

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5	Any additional comments regarding the proposed TCM Updates	No additional comments at this time.