

Period of Comment: December 16, 2020 through January 15, 2021	Contact: Mark Thompson
Comments From: TransCanada Energy Ltd. (TCE)	Phone: 403-589-7193
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Instructions:

1. Please fill out the section above as indicated.
2. Email your completed comment matrix to rules_comments@aeso.ca.

The AESO is seeking comments from Stakeholders in regard to the following matters:

	Question	Stakeholder Comments
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<p>1.</p>	<p>Given the details shared at the session, do you have any comments on scope beyond what was provided in response to the <i>Letter of Notice for Development of Proposed Amendments to Section 306.7 of the ISO Rules, Mothball Outage Reporting</i> (“Section 306.7”) posted to the AESO website on October 14, 2020?</p>	<p><i>TCE agrees with the AESO that the “Mothball outage rule should provide maximum flexibility for asset owners to manage their assets without creating barriers to entry for new assets.” This requires a delicate balance. In finding this balance, the AESO must be careful to not unduly impose mothball restrictions that <u>will</u> increase costs to existing asset owners to mitigate a concern that <u>may</u> create a barrier to entry.</i></p> <p><u><i>Economic Test</i></u></p> <p><i>The AESO’s original version of the Mothball Rule, which was approved on an expedited basis without revision, required only a notification that a mothball outage was to be taken. Pursuant to a Market Surveillance Administrator (MSA) complaint and a subsequent negotiated settlement in which the AESO participated, the current economic test was established. It is not clear to TCE that the current economic test has not worked as intended.</i></p> <p><i>The AESO’s rationale for including this within the scope is that there are enforceability issues and lack of clarity regarding “reasonable forecast market conditions” and calculation of avoidable costs. With respect, this rationale is too vague for stakeholders to understand the AESO’s concern.</i></p> <p><i>TCE submits that the economic test in the current Mothball Rule provides the reasonable assurance that a mothball outage is not taken for anti-competitive purposes, certainly more-so than the AESO’s original Mothball Rule. Further, if the MSA were to suspect anti-competitive activities, there is nothing in the Mothball Rule that would prevent it from investigating.</i></p> <p><i>TCE further submits that the term “reasonable forecast market conditions” is clear. It is well understood that it is unlikely for two parties to forecast identical market conditions. It is also unreasonable for a market participant’s decisions to be fettered by the market condition forecast of another party that does not appreciate its specific economic</i></p>
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		<p><i>reality. TCE also submits that the term “avoidable costs” are well understood to be those costs that would be avoided by taking a mothball outage. For these reasons, TCE submits that there is no need to review the economic test.</i></p> <p><u><i>Transmission Access</i></u></p> <p><i>TCE acknowledges that it is important that the Mothball Rule does not unduly create barriers to entry. TCE requests further information that would allow it to determine whether this should be in-scope or not. Specifically, TCE requests: (i) additional clarity from the AESO as to how a mothball outage could create a barrier to entry; and (ii) that the AESO clarify what it means by the term “barrier to efficient transmission access” and explain by way of example under what conditions a mothball outage could cause this barrier.</i></p> <p><u><i>3-Month Notification, 24-Month Duration, Outage Cancellation, and Reporting</i></u></p> <p><i>TCE agrees that these issues should be within the scope of this consultation. These issues were raised several years ago after the Mothball Rule was first established and have not yet been addressed.</i></p>
2.	Do you have any additional comments?	<i>TCE has no further comments at this time.</i>