

Stakeholder Comment Matrix – December 3, 2020

Proposed Final Draft of Section 505.2 of the ISO Rules, Performance Assessment for Refund of Generating Unit Owner's Contribution ("Section 505.2")



Period of Comment: December 3, 2020 through January 8, 2021

Comments From: TransCanada Energy Ltd. (TCE)

Date [yyyy/mm/dd]: 2021/01/08

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Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the *Letter of Notice of Proposed Final Draft of Amended Section 505.2*, under the “Related Materials” section, to view the final draft proposed materials on amended Section 505.2.
3. On the sections of the rule listed below, please 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.

Question	Stakeholder Comments
Performance Assessment	
2(1) The ISO must assess the performance of a generating unit or aggregated generating facility as follows: (a) subject to subsection 2(b), if the revenue meter of the generating unit or aggregated generating facility recorded zero metered energy in all settlement intervals during the previous calendar year, the performance factor is 0%;	TCE supports the simplified version of the performance assessment for the reasons provided in its November 9, 2020 comments on this subject.

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<p>(b) for a site with 1 or more onsite generating units or aggregated generating facilities that supply electric energy for 1 or more onsite load assets and offers excess generation to the energy market on a net basis, if the revenue meter recorded zero metered energy in all settlement intervals because load growth at the site resulted in no export to the interconnected electric system, the performance factor is 100%; and</p> <p>(c) in all other cases, the performance factor is 100%.</p>	
<p>(2) The ISO must assess a performance adjustment factor for a generating unit or aggregated generating facility in accordance with the following formula if, based on the ISO's most recent information at the time of the performance assessment, energized MC is not equivalent to critical MC:</p> $\text{performance adjustment factor} = \frac{\text{ABS}(\text{critical MC} - \text{energized MC})}{\text{critical MC}}$ <p>where:</p> <p>(a) ABS is absolute value;</p> <p>(b) critical MC is, subject to subsection 2(3), the maximum capability of the generating unit or aggregated generating facility used to calculate the contribution of the legal owner of a generating unit; and</p> <p>(c) energized MC is, subject to subsection 2(3), the maximum capability of the generating unit or aggregated generating facility that the legal owner submits to the ISO in accordance with the applicable pool asset registration process.</p>	<p>TCE supports the simplified version of the performance assessment for the reasons provided in its November 9, 2020 comments on this subject.</p>

Question	Stakeholder Comments
<p>(3) The ISO must, if the legal owner of the generating unit or aggregated generating facility updates the critical MC or energized MC of the generating unit or aggregated generating facility with the ISO on or before October 30 of the year before the refund calculation, adjust critical MC or energized MC in the application of the formula in subsection 2(2) based on the information the legal owner provides.</p>	<p>TCE supports the ability of market participants to update the critical MC and energized MC of a generating unit. However, TCE questions why the AESO has chosen October 30 as the deadline for such updates. TCE submits that a deadline of November 30 should be sufficient to allow the AESO 20 business days to record the change (pursuant to subsection 7(2) of ISO Rule 201.1) and to calculate the preliminary assessment by the January 31 deadline. This would allow the market participant the time necessary to update the information for changes that may have happened during the latter half of the year.</p> <p>TCE understands that, pursuant to section 7 of ISO Rule 201.1, updates to the critical MC or energized MC are to be provided to the AESO by following the procedures set out on the AESO website. TCE further understands that such updates are to be provided by submitting the AESO's <i>Generator Asset Addition Request Form</i>. While this form does include a section for an asset's maximum capability, it does not include sections for critical MC or energized MC. Does the AESO intend to amend this form to include sections that would enable pool participants to update an asset's critical MC or energized MC? If not, please clarify how a market participant is to provide such updated information to the AESO.</p> <p>In its <i>GUOC Refund Sample Calculations</i>, the AESO provided examples where updates to critical MC and energized MC were acceptable. In particular, the AESO's examples allowed for changes to critical MC or energized MC to reflect: (i) circumstances outside of the market participant's control; (ii) onsite load growth; and (iii) phased resource development. TCE requests that for clarity purposes, the AESO list these in the rule as examples of acceptable updates. Similarly, if the AESO intends to deny certain requests for updates to critical MC or energized MC, that the AESO include such information within the rule.</p> <p>The AESO's <i>GUOC Refund Sample Calculations</i> were helpful and provided clarity as to the intent of the proposed rule. TCE recommends that the AESO include these sample calculations in an information document. The comments provided along with each of the scenarios was helpful and provided insight into the AESO's rationale for the treatment of each of the scenarios. In addition to this, TCE recommends that the AESO provide the formula for each of the cells</p>

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	<p>under the “Performance Adjustment Factor (%)” column so that market participants can see precisely how the AESO calculated the adjustment factor.</p>
<p>Refund of Generating Unit Owner’s Contribution</p>	
<p>3 The ISO must calculate a refund for each calendar year during the refund period as follows:</p> $\text{refund} = (\text{annual amount} \times \text{performance factor}) \times (1 - \text{adjustment factor})$ <p>where:</p> <ul style="list-style-type: none"> (a) annual amount is as specified in the ISO tariff; (b) performance factor is the performance factor assessed in accordance with subsection 2(1) for the calendar year; and (c) adjustment factor is the performance adjustment factor calculated in accordance with 2(2). 	<p>TCE supports the refund calculation as proposed by the AESO.</p> <p>For clarity purposes, TCE recommends that the AESO rename “adjustment factor” to “performance adjustment factor” to match the term used in subsection 2(2). Similarly, TCE recommends that the AESO clarify that the “annual amount” is as specified in subsection 7.5(3) of the ISO tariff.</p>

Question	Stakeholder Comments
Preliminary Refund Assessment	
<p>4 The ISO must provide a preliminary refund assessment, along with relevant input data, to the legal owner of a generating unit or an aggregated generating facility by January 31 of the year following the calendar year to which the refund relates.</p>	<p>TCE supports the provision of a preliminary assessment by January 31.</p>
<p>Any additional comments regarding the proposed final draft of Section 505.2?</p>	