

<p>Period of Comment: June 21, 2021 through July 12, 2021</p> <p>Comments From: Heartland Generation Ltd. (“Heartland Generation”)</p> <p>Date: [2021/07/12]</p>	<p>Contact: Kurtis Glasier</p> <p>Phone: (587) 228-9617</p> <p>Email: Kurtis.Glasier@heartlandgeneration.com</p>
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Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the “related material” on the Stakeholder Engagement page on the AESO website.
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 proposed development of administrative amendments to Section 201.6, with regard to the following matters:

Item	AESO Questions to Stakeholders	Stakeholder Comments
1.	Do you agree that the issue identified in the letter of notice requires the proposed development of administrative amendments to Section 201.6? If not, why not?	Heartland Generation is uncertain about the claim that these administrative amendments will “result in a reduction of 428 regulatory requirements.” This seems like a more substantial reduction of regulatory requirements when compared to the limited changes being proposed.
2.	Do you agree with the potential purpose of the proposed development of administrative amendments to Section 201.6? If not, why not?	Heartland Generation does not oppose the proposed administrative amendments to Section 201.6, <i>Pricing</i> .
3.	Do you agree with the proposed consultation and timelines? If not, why not?	The proposed consultation and timelines seem appropriate; Heartland Generation is proposing a further amendment to Section 201.6 (See reply to Question #6), which should not significantly delay the timelines proposed by the AESO.
4.	Do you agree with the proposed administrative amendments Section 201.6? If not, why not?	Heartland Generation does not oppose the proposed administrative amendments to Section 201.6, <i>Pricing</i> .
5.	Do you agree that this should be submitted as an administrative amendment pursuant to AUC Rule 017? If not, why not?	The proposed amendment, and the further amendment as proposed by Heartland Generation, should be categorized as administrative amendments as they would further clarify the existing Rule without changing its effect.

Item	AESO Questions to Stakeholders	Stakeholder Comments
6.	Do you have any additional comments?	<p>Heartland Generation submits that the AESO should take the opportunity while proposing administrative amendments to adjust the “Reference Price” contained in proposed subsection 6 to better reflect market reality.</p> <p>The Reference Price is intended to act as a reasonable proxy for the costs of a Transmission Must-Run provider: currently only a 12.5 heat rate multiplied by the gas price. However, today’s reality must include the associated/expected carbon costs for this proposed proxy calculation. Carbon price is and will continue to be an important aspect of the electricity market.</p> <p>Similar to the current “gas price” described within the proposed subsection 6(2-3), the AESO can describe how it will adjust and account for an included carbon adder. In summary the proposed subsection 6 would calculate the Reference Price as a 12.5 heat rate multiplied by the gas price <i>plus the greenhouse gas exposure of a unit with the TMR reference heat rate to a carbon price levied by a public authority</i>. Section 201.6 can also include a description and process for calculating that greenhouse gas exposure and where to collect the carbon price. Using the current TIER framework, the <i>greenhouse gas exposure</i> would be calculated at the carbon price of \$40/tCO_{2e} multiplied by [TMR reference heat rate multiplied by carbon emission intensity of natural gas in tCO_{2e}/GJ minus the free allocation as set based on TIER (0.37 tCO_{2e}/MWh)].</p>