

February 23, 2021

To: The Market Surveillance Administrator, Market Participants and Other Interested Parties (“Stakeholders”)

Re: **Stakeholder Comments on Letter of Notice - Draft Proposed New and Amended ISO Rules and AESO Consolidated Authoritative Document Glossary (“CADG”) Terms and Definitions:**

- 1) Section 202.7, *Markets Suspension or Limited Markets Operations*;
- 2) Section 302.1, *Real Time Transmission Constraint Management*;
- 3) AESO CADG Definition – “acceptable operational reason”;
- 4) AESO CADG Definition – “constraint effective factor”;
- 5) AESO CADG Definition – “downstream constraint side”;
- 6) AESO CADG Term & Definition – “transmission constraint”;
- 7) AESO CADG Definition – “transmission constraint rebalancing”;
- 8) AESO CADG Term & Definition – “transmission market constraint”; and
- 9) AESO CADG Definition – “upstream constraint side”

collectively referred to as the “TCM Updates”.

Pursuant to Section 5.2 of Alberta Utilities Commission Rule 017, *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, written comments received from Stakeholders in response to the Alberta Electric System Operator’s (“AESO”) January 29, 2021 Letter of Notice regarding TCM Updates have been posted on the AESO website.

The written Stakeholder comments can be found on the Stakeholder engagement page on the AESO website at www.aeso.ca. Follow the path Stakeholder Engagement > Rules, Standards and Tariff > TCM Updates.

TCM Updates
Capital Power Corporation
ENMAX Corporation
Heartland Generation Ltd.
Suncor Energy Marketing Inc.
TransAlta Corporation
TransCanada Energy Ltd.

Thank you to all Stakeholders who participated in this ISO rules comment process. All written comments received will be considered in the AESO’s finalization of the proposed TCM Updates.

Sincerely,

Jodi Marshall

Legal Manager, ISO Rules and Alberta Reliability Standards
 Legal and Regulatory Affairs rules_comments@aes0.ca

Public

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

Contact: Matthew Davis

Phone: 403.540.6087

Email: mdavis@capitalpower.com

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.

Item #		Stakeholder comments
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.

Item #		Stakeholder comments
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>

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: ENMAX Corporation

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

Contact: Mark McGillivray

Phone:

Email: MMcGillivray@enmax.com

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>The proposed TCM Updates do not appear purely administrative in nature given the AESO is proposing to expand and introduce new definitions. ENMAX submits the following comments below.</p> <p>Expanded “AOR” Definition – Communication Process Required between Generators and TFOs</p> <p>The proposed expanded AOR definition does not appear to contemplate a process which would ensure that generators can expect to receive timely and accurate updates from the TFO, ultimately placing the onus solely on generators to confirm there are no transmission issues limiting their capacity. In ENMAX’s view, generators have limited visibility on transmission outages and would rely on a 3rd party for this information. As such, TFO’s should be included in this consultation and a clear communication process should be established between TFOs and generators. Generators cannot be obligated to provide best available information from another entity, it can only pass on what it gets and has no</p>

Item #		Stakeholder comments
		<p>ability to determine if it is reliable information and often has no documentation to rely upon from a TFO for unplanned Transmission outages.</p> <p>Proposed removal of subsections 3(2)(c) and 9(2)(c) from Section 202.7, Markets Suspension or Limited Markets Operations.</p> <p><i>“The ISO, from time to time, may issue a subsequent declaration updating market participants on limited market operations developments as circumstances warrant, including the return to ordinary course market operations.”</i></p> <p>To address stakeholder concerns, the AESO indicated that it would propose to amend the relevant provisions in Section 202.7 to reflect that the AESO will provide an update, when available, on the resumption of ordinary market operations. However, the highlighted text above indicates this will remain at the AESO’s discretion. ENMAX is of the view that the above statement should be revised to ensure some commitment from the AESO to keep market participants updated on developments or timelines for restoring normal operations, with some added timeliness criteria so it is more defined that it is an urgency to communicate this type of information.</p>
2	Whether you agree that the proposed TCM Updates is not technically deficient, and if not, why.	No comment.
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.	It would improve visibility on generator constraints on the outage graph with perfect information access, but because it relies on 3 rd party information, it is not fair to expect generators to have access to factual and timely information on constraints outside a generator’s property boundaries.
4	Whether you agree that the proposed TCM Updates supports the public interest, and if not, why.	No comment.
5	Any additional comments regarding the proposed TCM Updates	There should not be any compliance related obligations on generators in providing this 3 rd party information to the market using AESO systems.

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”**



<p>Period of Comment: January 29, 2021 through February 16, 2021</p> <p>Comments From: Heartland Generation Ltd. (“Heartland Generation”)</p> <p>Date [yyyy/mm/dd]: 2021-02-16</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 *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>Heartland Generation understands the objective of the TCM Updates is to provide clarity on the TCM Rule and establish the ability for a generator to utilize an acceptable operational reason (“AOR”) to restate its available capability (“AC”) when the unit becomes electrically disconnected from the grid. The inclusion of “Appendix A: Proposed TCM Updates – Amendments and Rationales” was particularly helpful and is a good example of the documentation/rationale that should be provided in future consultations.</p> <p>However, Heartland Generation takes issue with how these objectives are met, as it seems to impose undue risk and obligations on generators for conditions outside their purview or control. The proposed changes to AOR definitions should not be implemented because generators will need to rely on outage information that Transmission Facility Owners (“TFO”) are not required to share with individual participants. Further, the proposed changes to AOR definitions appear contrary to market participant obligations under the fair, efficient, and open competitive (“FEOC”) Regulation.</p>

Item #		Stakeholder comments
2	Whether you agree that the proposed TCM Updates is not technically deficient, and if not, why.	<p>The proposed TCM Updates change the definition of AOR, by adding the case whereby a generator must reflect a transmission/distribution outage or constraint as a change to a generator's AC. The AESO should explore if there are alternative ways to represent this information through the energy trading system, rather than by using an AOR to restate the generator's AC (since the generator's AC, but-for the unrelated wires constraint, is unaltered).</p> <p>Heartland Generation is concerned about the timelines of information exchanged between generators and transmission facility owners ("TFO"). There is no obligation that ensures TFOs will communicate facility outage information to generators in the timely manner that is required by the ISO Rules. Section 203.3 2(2) requires that generators restate their AC with an AOR "as soon as reasonably practicable". However, the TFOs are only under a "reasonable efforts" basis for the communication of <i>planned</i> facility outages, and for <i>forced</i> outages they are only obligated to report this information to the AESO directly (see Section 306.4). This creates a deficiency where the generator either does not have the information in a timely manner, and/or has access to non-public transmission outage/constraint information.</p>
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>The changes to the AOR definitions, specifically the new obligation for a generator to reflect transmission outage information through an AC restatement, presents concerns regarding the fair, efficient, and openly competitive ("FEOC") operation of the market.</p> <p>The <i>FEOC Regulation</i> section 2(e) prohibits a market participant from "misrepresenting the capability or operational status of a generating unit". This is in possible contradiction with the proposed TCM Updates changes, which obligate a generator owner to restate the AC of the generator when a wire outage or constraint occurs. The wires outage or constraint is completely and necessarily outside of the control of the generator, and the generator is otherwise capable of producing electric energy to the grid. Restating the AC of a generator, that is otherwise willing and able to produce electric energy, may constitute a misrepresentation of that unit's capability or operational status. Likewise, this may represent a misrepresentation "to the electricity market or to any other person the availability of electricity, electric energy, electricity services, or ancillary services" and run contrary to <i>FEOC Regulation</i> section 2(d).</p> <p>Since the proposed changes will require the generator and TFO to communicate transmission outage information, the situation may arise whereby the generator may have access to non-public transmission outage information. This has potential impacts</p>

Item #		Stakeholder comments
		<p>on trading operations and further adds compliance risks upon the generator. Since the TFO is already obligated to communicate outage information to the AESO, some FEOC concerns may be resolved by removing the obligation for a generator to restate its AC in reaction to a wire outage or constraint. Indeed, it may make more sense to have the AESO communicate the effect of the outage or constraint on any generators to the market, without any additional generator obligation.</p>
4	<p>Whether you agree that the proposed TCM Updates supports the public interest, and if not, why.</p>	<p>For the reasoning above, Heartland Generation does not agree that the TCM Updates as proposed are in the public interest. As discussed, the proposed amendments would be contrary to the express provisions in the <i>FEOC Regulation</i>.</p>
5	<p>Any additional comments regarding the proposed TCM Updates</p>	<p>Additionally, while the AESO is reviewing the TCM Rules, it should explore further improvements to support the FEOC operation of the market and overall transparency. Specifically, how the AESO reports TCM dispatches to the market, and to the individual asset that is being dispatched to relieve a transmission constraint. Currently, when an offer block is dispatched using TCM, there is no clear visibility to make this dispatch different from a regular dispatch through the merit order. This lack of communication can make the internal audit of that dispatch more difficult.</p> <p>Further, it is unclear how the AESO meets the reporting requirement of Section 302.1 4(1) to report the location and costs of resolving transmission market constraints in “as near to real time as possible”. The AESO may very well produce a report and Heartland Generation was unable to locate this as separate and distinct from the annual TCM costs report it produces (as described in Section 302.1 4(2)).</p> <p>In summary, the AESO should consider additional improvements to the TCM Rules to more clearly communicate when and how the TCM Rule is employed in real-time to the individual assets being dispatched outside the merit order and to the overall market when it has employed constraint management.</p>

Stakeholder Comment Matrix

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

Comments From: Suncor Energy Marketing Inc.

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

Contact: Horst Klinkenberg

Phone: (403) 819-7125

Email: hklinkenberg@suncor.com

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.
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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.	Suncor believes it understands the AESO’s objectives of the proposed TCM Updates but doesn’t agree with all of them. For example, Suncor disagrees with the objective to provide a source asset with an acceptable operational reason for issues on the distribution system. Any such issues should be solely dealt with between the AESO and the DFO. If the AESO does not currently have visibility of such issues, the appropriate process needs to be developed; it is inappropriate to instead burden the source asset with the obligation.
2	Whether you agree that the proposed TCM Updates is not technically deficient, and if not, why.	Subject to the comments under 5 below, Suncor currently sees no technical deficiency concern with the proposed TCM Updates.

Item #		Stakeholder comments
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.	Subject to the comments under 5 below, Suncor currently sees no FEOC concern with the proposed TCM Updates.
4	Whether you agree that the proposed TCM Updates supports the public interest, and if not, why.	Subject to the comments under 5 below, Suncor currently sees no public interest concern with the proposed TCM Updates.
5	Any additional comments regarding the proposed TCM Updates	<ul style="list-style-type: none"> • Suncor disagrees with the proposed changes to sections 3(1) and 3(3) of ISO Rules Section 202.7. Suncor accepts that it may be difficult to estimate the return to ordinary course market operations. However, the AESO still will have the best information and market participants rely on the AESO to provide them with the best information possible. As such, Suncor objects to the removal of the <u>obligation</u> in section 3(1) and the replacement with an <u>option</u> in section 3(3). The above comments apply similarly to the proposed removal of the <u>obligation</u> in section 9(1) and the proposed replacement with the <u>option</u> in section 9(3). Suncor requests the addition of sections 7(3) and 7(4), which would reflect the corresponding information for states of limited markets operations that sections 13(3) and 13(4) specify for states of markets suspension. • Upon review of the proposed changes to ISO Rules Section 302.1, Suncor realized that the rule could benefit from further clarity and improvements. For example, while a pro-rata methodology is referenced multiple times, e.g. in sections 2(1)(g)(ii) and (iii), the exact nature of the methodology is not provided, and Suncor was unable to locate it in an information document. Suncor further noticed that section (4)(1)(a) provides some protection for minimum stable generation but only when constraints are expected to last only for a short duration. Suncor considers this an inefficient outcome and instead suggests that the pro-rata methodology be based initially on in-merit volumes net of minimum stable generation levels. Suncor recognizes that this is an unexpected new proposal and would welcome additional consultation on this issue. • Suncor continues to oppose the addition of subsection (vii) to the definition of acceptable operational reason in the Consolidated Authoritative Document Glossary. Conditions on the distribution system are outside of the control of a source

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		<p>asset owner/operator and any communication should occur directly between the DFO and the AESO. No compliance risk should be put on the source asset owner/operator under those circumstances.</p> <p>Suncor wonders if the new definition of transmission market constraint should be adjusted to state that the reliability limit would “otherwise be exceeded”. It seems that the current definition may have a circular problem.</p>

<p>Period of Comment: January 29, 2021 through February 16, 2021</p> <p>Comments From: TransAlta Corporation</p> <p>Date [yyyy/mm/dd]: 2021/02/16</p>	<p>Contact: Akira Yamamoto</p> <p>Phone: 403-267-7304</p> <p>Email: akira_yamamoto@transalta.com</p>
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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>

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		<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>

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		<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>

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



<p>Period of Comment: January 29, 2021 through February 16, 2021</p> <p>Comments From: TransCanada Energy Ltd. (TCE)</p> <p>Date [yyyy/mm/dd]: 2021/02/16</p>	<p>Contact: Mark Thompson</p> <p>Phone: 403-589-7193</p> <p>Email: markj_thompson@tcenergy.com</p>
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- 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.**

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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><u>Section 202.7, Markets Suspension or Limited Markets Operations (ISO Rule 202.7)</u></p> <p>TCE agrees that the majority of the proposed changes are administrative in nature. However, the following two proposed changes are not administrative and raise concerns:</p> <ol style="list-style-type: none"> In subsections 3 and 9, the AESO proposes to make the current requirement to provide an estimate of the return to ordinary course market operations optional, which is not an administrative change. TCE understands the AESO’s reluctance to provide information that may not be accurate. This is the nature of estimates and is well understood by market participants. TCE notes that the current requirement does not prevent the AESO from providing a caveat alongside its estimate. TCE submits that some information is better than no information. Consequently, TCE does not support making the current requirement optional, but does support the amendment to subsections 3(3) and 9(3) that allows the AESO to provide market participants with an updated estimate of the return to

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		<p>ordinary course market operations.</p> <p>2. The AESO proposes to remove subsections 5(2) and 11(2), which specify that the system marginal price during a state of limited market operations or market suspension will be \$1,000/MWh if the AESO has directed the legal owner of an electric distribution system to shed firm load. The AESO has not specified why it wishes to remove these subsections. TCE speculates that the AESO may believe these subsections to be redundant with the provisions of subsection 3(1) of ISO Rule Section 201.6, Pricing (ISO Rule 201.6).</p> <p>TCE submits that these subsections are required as they provide the necessary clarity as to what the system marginal price will be in the specific circumstance when firm load is shed <u>and</u> there is a state of limited market operations or market suspension. By the principles of statutory interpretation, the removal of subsections 5(2) and 11(2) would express the intent to change the current practice in favour of one that sets the system marginal price pursuant to the current subsections 5(1) or 11(1), as the case may be, during a state of limited market operations or market suspension even if firm load is being shed. As such, the proposed change is not administrative and raises FEOC concerns. For these reasons, TCE does not support the removal of subsections 5(2) and 11(2).</p> <p>Alternatively, if the AESO still wishes to remove these subsections, it could do so provided the necessary clarity was added to subsection 3(1) of ISO Rule 201.6. That is, that under all circumstances when the AESO has directed the legal owner of an electric distribution system to shed firm load, including during a state of limited market operations or market suspension, the system marginal price will be \$1,000/MWh.</p> <p><u>Section 302.1, Real Time Transmission Market Constraint Management (TCM Rule)</u></p> <p>TCE agrees that the proposed changes to this rule provide clarity and are administrative in nature.</p> <p><u>AESO CADG Definition – "acceptable operational reason" (AOR)</u></p> <p>While TCE supports the clarifications proposed for the TCM Rule and the need to account for transmission or distribution outages that impact generation facilities, TCE does not</p>

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		<p>support the manner by which the AESO proposes to implement this clarification as it relates to the proposed additions to the AOR definition. For the reasons expressed below, TCE submits that the proposed additions to the AOR definition are not administrative in nature; and are inconsistent with the FEOC operation of the market.</p> <p>The AESO has proposed two additions to the AOR definition that would now require a generator to reposition the available capability (AC) of a generating unit due to constraints on the distribution system or a transmission outage that disconnects it from the transmission system. As this proposed change would impose a new requirement on generators, TCE submits that this is not an administrative change.</p> <p>Moreover, this proposed change is inconsistent with the AESO's own AC definition. The AESO defines AC as "... the maximum MW that the source asset is physically capable of providing". A source asset's physical capability is independent from distribution constraints and transmission outages. These constraints and outages impact the ability of the transmission system to <u>receive</u> MWs from a generator, not the ability of the generator to <u>provide</u> MWs. With respect, the AOR definition is intended to account for issues that impact the capability of the generator, not the transmission system.</p> <p>The proposed change also raises some FEOC concerns. ISO Rule 505.2 sets out the performance criteria for refunding a generating unit owner's contribution. The refund is based on the generating unit's AC. TCE submits that it would be unfair for a generating unit's refund to be reduced as a result of distribution constraints or transmission outages over which the generator has no control. TCE recognizes that the AESO's proposed changes to ISO Rule 505.2 would remove this concern, but only if and when they are approved by the Alberta Utilities Commission.</p> <p>Additional FEOC concerns arise because the proposed changes would require generators to communicate transmission and distribution outage information to the AESO once the generator receives this information from the TFO or DFO. This is inefficient. Pursuant to section 4 of the <i>FEOC Regulation</i>, TFOs and DFOs are required to provide outage records to the AESO as soon as reasonably practicable. This means that the AESO would have received this outage information from the TFO or DFO before the affected generator. Moreover, there is no equivalent legislative requiring the TFO/DFO to provide this information to the generator, yet the proposed changes rely upon this communication. To the extent that the limitation is due to a distribution constraint, TCE expects that the DFO would be in a better position than a generator to provide accurate information to the AESO as the content of the communication is not a core competency of most generators.</p>

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		<p>Accordingly, the proposed changes would place an unreasonable compliance risk upon generators to provide accurate and timely transmission and distribution information to the AESO.</p> <p>The delay between when the TFO/DFO notifies the AESO and when it notifies the generator creates further FEOC concerns. The extent of this delay is beyond the generator's control and could become an issue particularly once an outage has been cancelled. TCE has experienced a related situation in Alberta where one of its generating units was off-line due to a transmission outage. At some point, TCE employees suspected that the transmission line was back in-service. Upon calling the TFO, it was confirmed that the line was back in-service and yet the TFO had not communicated this to TCE. Under the proposed changes, this delay would cause the generator to restate its AC, which may: (i) impact market outcomes; (ii) deprive a generator of market revenues; and (iii) cause a generator to appear to be physically withholding creating a compliance concern. TCE believes that these outcomes could be avoided.</p> <p>TCE submits that it would be more efficient for the AESO to communicate directly with the TFO/DFO and account for the ability of the transmission system to receive MWs from a generator by some manner other than restating AC through an AOR. In this regard, TCE requests that the AESO explain in detail the current process the AESO uses. TCE recommends that the AESO work with stakeholders to find an alternate solution.</p> <p>One possible alternate solution may be to define two new terms. The first would define the maximum MWs the transmission system is capable of <u>receiving</u> from a generating unit and would be based off of information provided to the AESO from the TFO/DFO as the case may be. The second term would be defined as the lower of this first term and a generating unit's AC, which the AESO would use to dispatch a unit. This would avoid the inconsistency with the AC definition and the FEOC concerns. If this solution is unacceptable to the AESO, TCE requests that the AESO provide a detailed response explaining why.</p> <p><u>Additional Proposed Definition Changes</u></p> <p>TCE agrees that the proposed changes to the definitions, other than the AOR definition, provide clarity and are administrative in nature.</p>

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2	Whether you agree that the proposed TCM Updates is not technically deficient, and if not, why.	TCE has no comment.
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.	Please see the comments to Question 1 above.
4	Whether you agree that the proposed TCM Updates supports the public interest, and if not, why.	Please see the comments to Question 1 above.
5	Any additional comments regarding the proposed TCM Updates	TCE has no further comments.