

February 25, 2020

To: Market Surveillance Administrator, Market Participants and Other Interested Parties

**Re: Stakeholder Comments on Letter of Notice for Development Proposed New & Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary (“CADG”) Terms and Definitions:**

- 1) **Section 202.6, Adequacy of Supply;**
- 2) **Section 202.7, Markets Suspension or Limited Markets Operations;**
- 3) **Section 302.1, Real Time Transmission Market Constraint Management;**
- 4) **AESO CADG Definition – “acceptable operational reason”;**
- 5) **AESO CADG Definition – “constraint effective factor”;**
- 6) **AESO CADG Definition – “downstream constraint side”;**
- 7) **AESO CADG Term & Definition – “transmission constraint”;**
- 8) **AESO CADG Definition – “transmission constraint rebalancing”;**
- 9) **AESO CADG Term & Definition – “transmission market constraint”;** and
- 10) **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 Market Surveillance Administrator, Market Participants and Other Interested Parties (“Stakeholders”) in response to the Alberta Electric System Operator’s (“AESO”) February 6, 2020 [Letter of Notice for Development](#) have been posted on the AESO website.

The following grid is hyperlinked to provide assistance in directing Stakeholders to these written comments.

TCM Updates
<a href="#">Capital Power Corporation</a>
<a href="#">ENMAX Corporation</a>
<a href="#">Market Surveillance Administrator</a>
<a href="#">Suncor Energy Inc.</a>
<a href="#">TransCanada Energy Inc.</a>

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

Sincerely,

*Alison Desmarais*

Regulatory Administrator  
 Legal & Regulatory Affairs  
[rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca)

## Stakeholder Comment Matrix

### Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary Definitions, collectively referred to as the “TCM Updates”



**Period of Comment:** February 6, 2020 through February 21, 2020

**Comments From:** Capital Power Corporation

**Date:** 2020/02/21

**Contact:** Colin Robb

**Phone:** (7800 392-5169)

**Email:** cmrobb@capitalpower.com

#### Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the Consultation Letter under the “Attachments” section to view materials related to the proposed TCM Updates.
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 development of the proposed TCM Updates with regard to the following matters:***

## Stakeholder Comment Matrix

### Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary Definitions, collectively referred to as the “TCM Updates”



	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
1.	Do you agree or disagree that the issue identified requires the development of proposed TCM Updates? Please comment.	<p>As noted in previous submissions, Capital Power is concerned with the proposed changes to the requirements for transmission constraint management. Capital Power submits that additional consultation with market participants is necessary to address outstanding items. Specifically, there is a need for communication requirements for transmission facility operators to notify market participants of outages that may impact generators.</p> <p>With the revised definition of Acceptable Operational Reason, there is currently no effective mechanism for communication of these outages which could lead to challenges for market participants fulfilling the requirements for available capability restatements.</p>
2.	Do you agree or disagree with the potential objective or purpose of proposed TCM Updates? Please comment.	Capital Power has no comment on the potential objective or purpose of the proposed updates.
3.	Do you agree or disagree with the proposed form of consultation and timelines? Please comment.	Capital Power submits that the consultation plan, as outlined in the AESO notice, may not be the most appropriate approach to deal with the concern noted above. The AESO should convene a technical session with interested parties to assess whether there is a solution that could be implemented with transmission facility operators that would notify transmission-connected generators of outages that would require restatements of available capability. Capital Power submits that this should be addressed outside of the proceeding and in advance of the application to the Alberta Utilities Commission.
4.	Do you intend to participate in any related consultation? <b>OR</b> Do you agree that no consultation group is required for this rule development? Please comment.	Capital Power will participate in consultations relating to the TCM Updates.
5.	Do you have any additional comments?	Capital Power has no additional comments.

## Stakeholder Comment Matrix

### Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary Definitions, collectively referred to as the “TCM Updates”



<p><b>Period of Comment:</b> February 6, 2020 through February 21, 2020</p> <p><b>Comments From:</b> ENMAX Corporation</p> <p><b>Date:</b> 2020/02/19</p>	<p><b>Contact:</b> Rose Ferrer</p> <p><b>Phone:</b> 403-514-3886</p> <p><b>Email:</b> <a href="mailto:rferrer@enmax.com">rferrer@enmax.com</a></p>
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Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the Consultation Letter under the “Attachments” section to view materials related to the proposed TCM Updates.
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 development of the proposed TCM Updates with regard to the following matters:**

	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
1.	Do you agree or disagree that the issue identified requires the development of proposed TCM Updates? Please comment.	No comment.
2.	Do you agree or disagree with the potential objective or purpose of proposed TCM Updates? Please comment.	Agree.
3.	Do you agree or disagree with the proposed form of consultation and timelines? Please comment.	Agree.
4.	Do you intend to participate in any related consultation? <b>OR</b> Do you agree that no consultation group is required for this rule development? Please comment.	Yes, ENMAX intends to participate in any related consultation.



	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
5.	Do you have any additional comments?	<p>ENMAX has the following preliminary comments regarding the proposed TCM updates.</p> <p><b>1. Terms and Definitions – TCM Updates</b></p> <p><u>Proposed:</u></p> <p>“acceptable operational reason” means any 1 or more of the following:</p> <p>(vii) re-positioning a generating source asset within the energy market in response to:</p> <ul style="list-style-type: none"> <li>a) a distribution constraint that causes a limitation to the normal economic merit operation of the generating <b>source asset</b>, or to the flow of electrical energy from the generating <b>source asset</b> from one part of the <b>electric distribution system</b> or an electric system within the service area of the City of Medicine Hat to any other part of either of those systems; or</li> <li>b) [...]</li> </ul> <p><u>ENMAX Comments:</u></p> <p>The AESO is introducing a new AOR in response to a distribution constraint. ENMAX seeks further clarity regarding this proposed change and requests that the AESO provide a few examples to better illustrate when this situation would occur.</p>



	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
		<p><b>2. Section 202.6, Adequacy of Supply</b></p> <p><u>Proposed:</u></p> <p>2 The AESO must, in order to assist in determining whether to cancel a planned outage, delayed forced outage, or automatic forced outage under Section 306.5 [...].</p> <p><u>ENMAX Comments:</u></p> <p>Section 306.5, <i>Generation Outage Reporting and Coordination</i> only gives the AESO the authority to issue outage cancellation directives on a planned outage or a delayed forced outage. Since 202.6 should align with 306.5, “automatic forced outage” should <u>not</u> be included in 202.6. An automatic forced outage is not discretionary.</p> <p><b>3. Section 202.7, Markets Suspension or Limited Markets Operations</b></p> <p><u>Proposed:</u></p> <p>Removal of Subsection 3(2)(c) and 9(2)(c) – requirement for AESO to provide estimate of data and time of return to ordinary course of market operations.</p> <p><u>ENMAX Comments:</u></p> <p>ENMAX requests further information from the AESO regarding why the requirement to provide reasonable estimate of resumption in 202.7 is being removed. To maintain transparency, this should remain as an AESO requirement as it is not a significant burden with specific timelines or accuracy requirements.</p>

## Stakeholder Comment Matrix

### Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary Definitions, collectively referred to as the “TCM Updates”



<p><b>Period of Comment:</b> February 6, 2020 through February 21, 2020</p> <p><b>Comments From:</b> Market Surveillance Administrator</p> <p><b>Date:</b> 2020/02/20</p>	<p><b>Contact:</b> Matt Ayres</p> <p><b>Phone:</b> 403-705-3193</p> <p><b>Email:</b> matt.ayres@albertamsa.ca</p>
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**Instructions:**

1. Please fill out the section above as indicated.
2. Please refer back to the Consultation Letter under the “Attachments” section to view materials related to the proposed TCM Updates.
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 development of the proposed TCM Updates with regard to the following matters:**

	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
1.	Do you agree or disagree that the issue identified requires the development of proposed TCM Updates? Please comment.	<p>The MSA notes that the “Issue” identified by the AESO in its February 6, 2020 memorandum (“Memorandum”) suggests the need for “improved clarity” to be obtained by amending two existing definitions. The AESO has not clearly articulated why additional clarity is required or who would benefit from this clarity.</p> <p>The MSA also notes that transmission constraints on the AIES is an issue, but queries whether or not it needs to be addressed at this time if the effect is to delay other issues identified by the AESO in current ISO rules work plan. Can the AESO advise whether or not the latter would be the case?</p>
2.	Do you agree or disagree with the potential objective or purpose of proposed TCM Updates? Please comment.	<p>The MSA notes the Objectives/Purpose stated in the above Memorandum, however, the MSA believes that these should also include a “FEOC” purpose. That is, do the proposed TCM Updates support the fair, efficient and openly competitive operation (FEOC) of the electricity market or not?</p>

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### Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary Definitions, collectively referred to as the “TCM Updates”



	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
3.	Do you agree or disagree with the proposed form of consultation and timelines? Please comment.	In the event there are stakeholder comments that raise other issues arising from the proposed TCM Updates, in addition to “improved clarity”, the MSA assumes that the AESO would be prepared to adjust its timelines to accommodate these issues. Can the AESO advise if that is the case?
4.	Do you intend to participate in any related consultation? <b>OR</b> Do you agree that no consultation group is required for this rule development? Please comment.	Yes, the MSA intends to participate in any related consultation. The MSA sees no need for a consultation group at this time.
5.	Do you have any additional comments?	<p>The following are additional comments intended to articulate some of the potential market and FEOC concerns the MSA feels need to be considered.</p> <ol style="list-style-type: none"> <li>1. The AESO is proposing to make substantive amendments to the definition of a “transmission constraint” (proposed to be known as a “transmission market constraint”). The AESO’s rationale is that a number of ISO rules and definitions would “benefit from improved clarity”. The MSA believes it would be beneficial to articulate what these benefits would be. Without better articulation of the benefits, the MSA is concerned that: <ul style="list-style-type: none"> <li>• the new definition changes rather than clarifies when the rule would be used. The narrower definition of “transmission market constraint” would result in an under-reporting of constraints on the AIES. For example, a constraint on a radial line that results in the disconnection of a generator at the end of the line from the AIES would currently be considered to be a constraint whereas in the new definition it would not.</li> </ul> </li> </ol>



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	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
		<ul style="list-style-type: none"><li>• there may be circumstances where the AESO is unable to comply with the current ISO rule. If that is the case, has the AESO explored technical solutions that would allow it to comply with the current rule rather than to seek a rule change?</li></ul> <ol style="list-style-type: none"><li>2. The AESO proposing to make substantive amendments to the definition of an “acceptable operational reason”. Again, there may be benefits from clarification but the AESO has not articulated what those benefits are supposed to be. The AESO should articulate these benefits.</li><li>3. The new definition of “acceptable operating reason” includes instances where a transmission outage results in the disconnection of a generating unit from the AIES. Under the current rules the MSA agrees there is a lack of clarity as to what market participants should do if a generating unit was disconnected. In the past, some market participants have reduced available capability and some have not. The MSA is supportive of efforts to improve clarity and consistency as to what market participants should do in these circumstances. However, the MSA has the following comments and concerns:</li></ol>



	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
		<p>a) The proposed rule change appears to create additional obligations for market participants who are generators. These obligations may be more efficiently and appropriately placed on other market participants. Is the AESO proposing that generators who are disconnected from the electric system will be required to seek information about the likely duration of the transmission outage from the TFO and pass this on to the AESO? Are the AESO or TFO not in a better position than generators to be apprised of transmission outages and their likely resolution? Further, how should generators ensure they are not left in a position where they may be seen to be “misrepresenting to the electricity market or to any other person the availability of...electric energy” (see subsection 2(d) of the <i>Fair, Efficient and Open Competition Regulation</i>)?</p> <p>b) The rule change treats transmission constraints that do not result in disconnection of a generating unit differently from those that do result in a disconnection. The MSA understands that under the AESO’s proposal where transmission constraints reduce the amount of electric energy that can flow down a transmission line but the generating unit is not disconnected, the market participant is not required to restate the available capability of the unit. However, should the constraint result in a disconnection of a generating unit the market participant would be required to report a generator outage on the unit. This outage would no longer be recorded as a transmission constraint. There appears to be a lack of consistency of approach between the obligations to report available capability changes for transmission constraints depending on the severity of the constraint. Can the AESO explain the rationale for this?</p>

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		<p>c) The proposed rule change mixes transmission and generator outages which impacts outage reporting. Under the proposed TCM updates certain transmission outages will result in reductions of available capability at generators which in turn is reflected in increased generator outages. Section 4(3) of the <i>Fair, Efficient and Open Competition Regulation</i> requires outage records be made public by category including i) generating unit type; and ii) transmission facility. It appears a consequence of the AESO's proposal would be to reduce the granularity/transparency of generation and transmission outage reporting. Does the AESO anticipate any reduction of visibility in its outage reporting as a consequence of the proposed rule changes and how would the AESO address the issue?</p>

## Stakeholder Comment Matrix

### Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary Definitions, collectively referred to as the “TCM Updates”



<b>Period of Comment:</b> February 6, 2020 through February 21, 2020	<b>Contact:</b> Horst Klinkenberg
<b>Comments From:</b> Suncor Energy Inc.	<b>Phone:</b> (403) 296-2938
<b>Date:</b> 2020/02/21	<b>Email:</b> <a href="mailto:hklinkenberg@suncor.com">hklinkenberg@suncor.com</a>

Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the Consultation Letter under the “Attachments” section to view materials related to the proposed TCM Updates.
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 development of the proposed TCM Updates with regard to the following matters:***

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	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
1.	Do you agree or disagree that the issue identified requires the development of proposed TCM Updates? Please comment.	<p>Suncor submits that the issues stated by the AESO do not justify the proposed TCM updates. In fact, most of the proposed updates are unrelated to these issues, which results in the notice not meeting the requirements of section 4.3 of AUC Rule 017.</p> <ul style="list-style-type: none"> <li>• The proposed changes to ISO Rule 202.6 are unrelated to the issues stated by the AESO.</li> <li>• The only substantive proposed changes to ISO Rule 202.7 (removal of 3(2)(c) and 9(2)(c)) are unrelated to the issues stated by the AESO.</li> <li>• The proposed language changes in ISO Rule 302.1 do not relate to the “circumstances under which the AESO follows the procedures prescribed by the ISO rule.”</li> <li>• The proposed addition of subsection (vii) to the definition of an “acceptable operational reason” (AOR) does not “provide clarity” but instead creates an entirely new and novel interpretation of circumstances that would require an AOR.</li> </ul> <p>In order to provide meaningful comments on the proposed rule changes, it is necessary to understand the issues the AESO is trying to address. Absent this information, Suncor opposes the rule changes, particularly the removal of section 3(2)(c) and 9(2)(c) from ISO Rule 202.7 and the addition of subsection (vii) from the AOR definition. On their face these are harmful changes that would need offsetting benefits in order to potentially make them justifiable.</p>

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	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
2.	Do you agree or disagree with the potential objective or purpose of proposed TCM Updates? Please comment.	<p>While Suncor does not oppose the objectives per se, the objectives do not seem to align with the AESO’s perceived issues; further, the proposed substantive changes to the rules are unrelated to the objectives.</p> <p>As an example of the former, the proposed changes to ISO Rules 202.6 and 302.1 seem to align with objectives (a) and (d) but, as stated in response to question 1 above, have no discernable relationship to the AESO’s perceived issues.</p> <p>As an example of the latter, the proposed removal of sections 3(2)(c) and 9(2)(c) from ISO Rule 202.7 and the proposed addition of section (vii) to the AOR definition relate to none of the objectives or AESO perceived issues.</p>
3.	Do you agree or disagree with the proposed form of consultation and timelines? Please comment.	Suncor disagrees both with the form of the consultation and the associated timelines. This is the third time that the AESO proposed essentially the same changes to these rules and definitions. On each occasion, the AESO has not adequately stated the issues and objectives the proposed changes are intended to address, as required by AUC Rule 017. This has been raised by stakeholders each time the AESO proposed these changes. As a first step before contemplating the process or timelines, the AESO is required to provide adequate notice in accordance with AUC Rule 017 and in particular with subsections 4.3(a) and (b) of that rule.
4.	Do you intend to participate in any related consultation? <b>OR</b> Do you agree that no consultation group is required for this rule development? Please comment.	Suncor intends to fully participate in consultation regarding the proposed rule changes after it is properly initiated. Once the AESO has clearly provided the issues and objectives it intends to address, Suncor can provide further details on necessary consultation steps, appropriate timelines, and Suncor’s anticipated involvement.
5.	Do you have any additional comments?	It would be helpful if all previous material and stakeholder comments would be posted on the AESO’s website and in particular all stakeholder submissions from December 2018 and December 2019.

## Stakeholder Comment Matrix

### Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary Definitions, collectively referred to as the “TCM Updates”



**Period of Comment:** February 6, 2020 through February 21, 2020

**Comments From:** TransCanada Energy Limited (TCE)

**Date:** 2020/02/21

**Contact:** Mark Thompson

**Phone:** 403-589-7193

**Email:** markj\_thompson@tcenergy.com

#### Instructions:

1. Please fill out the section above as indicated.
2. Please refer back to the Consultation Letter under the “Attachments” section to view materials related to the proposed TCM Updates.
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 development of the proposed TCM Updates with regard to the following matters:***



	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
1.	<p>Do you agree or disagree that the issue identified requires the development of proposed TCM Updates? Please comment.</p>	<p>TCE submits that the AESO has not adequately identified the issue with respect to the proposed changes to ISO Rule Section 202.7, Markets Suspension or Limited Markets Operations (Rule 202.7) and the definition of an acceptable operational reason (AOR).</p> <p>The AESO states that “a number of ISO rules ... would benefit from <u>improved clarity</u> pertaining to transmission outages and distribution constraints” [emphasis added]. Yet, the proposed changes to Rule 202.7 include the removal of the AESO requirement to provide “a reasonable estimate of the anticipated date and time of termination of the state of limited market operations, and the return to ordinary course markets operations”. TCE submits that this proposed change does not provide additional clarity and that the issue that requires this proposed change has not been identified in the February 6, 2020 letter. TCE recommends that the AESO clearly identify the nature of the issue that the proposed changes to Rule 202.7 are intended to solve.</p> <p>While TCE generally supports the provision of additional clarity for defined terms, TCE submits that the proposed change to the definition of an AOR is more significant than simply providing clarity as it will impose process changes upon market participants. TCE recommends that the AESO clearly identify the nature of the issue that the proposed changes to the definition of an AOR are intended to solve.</p>





	Development of a Proposed ISO Rule	Stakeholder Comments and/or Alternate Proposal
2.	Do you agree or disagree with the potential objective or purpose of proposed TCM Updates? Please comment.	<p>TCE is of the view that this section is incomplete. While certain of the proposed changes obviously provide clarity, alignment or are administrative in nature, others are not. For the latter, more information is required for market participants to understand why the AESO is proposing changes. This is essential for meaningful consultation since without it market participants will have insufficient information to enable them to provide alternate recommendations that may be amenable to the AESO.</p> <p>With respect to Rule 202.7, TCE would like to know why, and how the AESO determined that, the requirement to provide “a reasonable estimate of the anticipated date and time of termination of the state of limited market operations, and the return to ordinary course markets operations” is no longer needed. The purpose of this requirement is to provide information to market participants. Have market participants informed the AESO that this information is no longer needed? Or is it that the AESO simply no longer wishes to provide this information? If so, why not?</p> <p>As stated above, the proposed changes to the definition of an AOR are more substantive than providing additional clarity. TCE has opposed this amendment since the AESO first proposed this change in April 2018. TCE would like to work with the AESO to find a mutually acceptable solution. However, this will be difficult to accomplish without a thorough understanding of why the AESO is pursuing this amendment.</p>
3.	Do you agree or disagree with the proposed form of consultation and timelines? Please comment.	TCE has no issue with the proposed form of consultation, but notes that meaningful consultation may require the timelines to be relaxed somewhat depending on the circumstances.
4.	Do you intend to participate in any related consultation? <b>OR</b> Do you agree that no consultation group is required for this rule development? Please comment.	TCE intends to participant in the consultation.
5.	Do you have any additional comments?	Not at this time.