



*Competing to serve
Alberta's power consumers*

Presentation to AESO's Board

November 18, 2020



Independent Power Producers Society of Alberta

Key Messages

1) Importance of Managing AESO Costs & Trading Charge

- Generators appreciate Y/Y reduction in trading charge (¢35.2 from ¢42.6)
- We also appreciate how the AESO assessed and deferred Shortened Settlement
- We recommend that other AESO Market Initiatives have clear, measurable objectives and stakeholder support before they proceed. (OR redesign, Ramp Table, Dispatch Tolerance, Mothball Rule)

2) Priority Should be on Tariff Redesign & Grid Optimization

3) 2021 Budget Review Process benefited with VP Involvement

- In the future, we recommend an articulation of initiatives to costs (internal, external and capital)



IPPSA's Future View

Agency Reform

- Wind the BP down and migrate its 'accounting roles' under the AESO
- Provide the MSA with governance; one option is under the AESO's Board.

Intertie Matters

- Restoration should not proceed until after level playing field issues are resolved

Importance of Market Stability and Investor Confidence

- We appreciate the AESO's response to the Minister of Energy's request for analysis on Market Power Mitigation and Price Cap/Floor papers.
- However, *if not managed carefully*, many of the AESO's key 2021 initiatives can impact investor confidence. Initiatives should be carefully designed, with stakeholder buy-in and confined to a narrow scope.



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