Stakeholder Comment Matrix – October 26, 2020

Draft Proposed Amended Section 505.2 of the ISO Rules, *Performance Criteria for Refund of Generating Unit Owner's Contribution* ("Section 505.2") – Option 2 Draft Rule Language

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Period of Comment:	October 26, 2020 through November 9, 2020	**Contact:**	Akira Yamamoto
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Instructions:

1. **Please fill out the section above as indicated.**

2. **Please refer back to the *Letter of Notice for Feedback on the Content of Proposed Options for Amended Section 505.2* under the "Related Materials" section to view the actual 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
Refund of Generating Unit Owner's Contribution	
2 The **ISO** must calculate a refund for each calendar year during the refund period as follows: refund = (annual amount x availability) x (1 − penalty factor) where: (a) annual amount is as specified in the **ISO tariff**;	No comments at this this time.

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Question	Stakeholder Comments
(b) availability is the availability factor assessed for the calendar year in accordance with subsection 3(1); and (c) penalty factor is the penalty factor calculated for the calendar year in accordance with subsection 3(2).	
Performance Assessment	
3(1) The **ISO** must assess the availability of a **generating unit** or **aggregated generating facility** as follows: (a) if the **revenue meter** of the **generating unit** or **aggregated generating facility** recorded metered energy in a **settlement interval** during the previous calendar year, availability factor is 100%; (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, availability factor is 0%.	No comments at this this time.
(2) If the **maximum capability** of the **generating unit** or **aggregated generating facility** on the first day of each calendar year during the refund period is less than its critical **maximum capability**, the **ISO** must assess a penalty factor as follows: $$\text{penalty factor} = \frac{\text{ABS}(\text{critical maximum capability} - \text{energized maximum capability})}{\text{critical maximum capability}}$$ where:	***The calculation of maximum capability should take into account the capacity over the performance period.*** We disagree that on the use of "the first day of each calendar year" to calculate energized maximum capability. We note that projects do not necessarily get developed such that they energize their full maximum capability in alignment with the start of a calendar year. We recommend that AESO use a time-weighted calculation for determining the energized maximum capability to fairly account for projects that get energized or increase their maximum capability over the annual performance period.

Question	Stakeholder Comments

(a) critical maximum capability is
 	
  (i) the **maximum capability** of the **generating unit** or **aggregated generating facility** at the time the Rate STS system access service agreement is effective; or
 	
  (ii) energized **maximum capability** as defined in subsection 3(2)(b), if there is no change in Rate STS at the point of supply;
 	
  and
 	
(b) energized **maximum capability** is the **maximum capability** of the **generating unit** or **aggregated generating facility** following energization and **commissioning**.
	We propose the following change to section 2:
	
	If the <mark>time-weighted average</mark> **maximum capability** of the **generating unit** or **aggregated generating facility** ~~on the first day of each calendar year~~ during the refund period is less than its critical **maximum capability**, the **ISO** must assess a penalty factor as follows:
	
	$$\text{penalty factor} = \frac{\text{ABS(}\text{critical maximum capability} - \text{energized maximum capability}\text{)}}{\text{critical maximum capability}}$$
	
	We note that given the formula does not apply where the maximum capability is greater than its critical maximum capability, there is no need to contemplate a circumstance where the energized maximum capability is greater than the critical maximum capability such that an absolute value needs to applied.
	
	We also see a need to adjust the critical maximum capability for planned staged generation development. More specifically, if a project is planned to achieve its maximum capability through staged development the calculation of critical maximum capability should also reflect this plan. Otherwise, we believe that future staged/phased generation development are likely to respond to this rule by filing each stage as separate project with their own maximum capabilities to manage the penalty risk created by this rule. We view this as an undesirable unintended consequence that would result in increased administrative burden to process these interconnection projects. To address this risk, we recommend that the rule allow for a time-weighted calculation to be used to determine critical maximum capability for staged/phased projects.
	
	We propose the following changes:
	
	  Add (iii) to subpart (a):
	
	  <mark>(iii) the time-weighted average **maximum capability** of the **generating unit** or **aggregated generating facility** for Rate STS system access service agreement for staged project developments.</mark>

Question	Stakeholder Comments
	(b) energized **maximum capability** is the ==time-weighted average== **maximum capability** of the **generating unit** or **aggregated generating facility** following energization and **commissioning**. ***A mechanism to adjust critical maximum capability over time is needed.*** TransAlta also has concerns about the application of a critical maximum capability that cannot be adjusted over time. More specifically, we disagree that market participants should be penalized if the energized maximum capability decreases over time due to equipment degradation or other technical issues. For example, solar generation is known to degrades over time which would expose market participants to penalties on GUOC performance caused by an issue that the market participant cannot manage. We recommend that the proposed rule contemplate a mechanism that would allow the critical maximum capability of a generating unit to be adjusted downward if it is due to a technical issue that derates its maximum capability. We propose the following addition to subpart (a): Add (iv) to subpart (a): ==(iv) the critical maximum capability can be adjusted in any year for derates due to equipment degradation and/or other technical issues at the request of the market participant.==
Preliminary Refund Assessment	
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.	No comments at this this time.