



Suncor Energy Inc.
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SENT VIA EMAIL: rules_comments@aeso.ca

December 10, 2019

ALBERTA ELECTRIC SYSTEM OPERATOR

Calgary Place
2500, 330 5 Avenue SW
Calgary, AB T2P 0L4

Attention: Alison Desmarais, Regulatory Coordinator

**Re: Response to Update Letter re: Proposed Amendment to ISO Rule Section 203.1
Update Letter re: TCM Updates for EAS
Update Letter re: Administrative Updates – EAS Rules**

Suncor Energy Inc. ("Suncor") has reviewed the Alberta Electric System Operator's ("AESO") notices dated November 27, 2019, November 28, 2019 and December 2, 2019 (the "Notices"). In the Notices, the AESO states that it believes the intention of sections 4 and 6 of AUC Rule 017 were met for the proposed rule amendments as a result of the consultations completed to date. The AESO proposes to submit an application for approval without further consultation, and requests that the Market Surveillance Administrator, market participants and other interested parties ("Stakeholders") with significant concerns with this proposed next step provide those concerns prior to December 10, 2019. This letter provides Suncor's concerns with the proposed rules and process.

Prior to describing its concerns with the proposed rules, Suncor notes that the consultation that was done with respect to these proposed rules may no longer be valid. As the AESO identified in the Notices, the consultation on the proposed amendments primarily occurred about one year ago when a capacity market was being proposed. Accordingly, there are changed circumstances, including the cancellation of the capacity market, which may have changed the nature of stakeholders' concerns.

Notwithstanding that the nature of the concerns with the proposed AESO rules may have changed, Suncor attempted to review stakeholder comments from the previous AESO consultation on the proposed rules. A table with dates and consultation activities was provided in the Notices; however, there was no link to the actual consultation record. The consultation record for these rules is embedded in two years' worth of capacity market consultation material and not readily accessible. Suncor notes that if the AESO would like to rely on the previous consultation, the relevant consultation records should be readily accessible. This is particularly important as the AESO provided only five to eight business days to respond to the Notices with concerns regarding the proposed rules and process.

Suncor is also concerned that the AESO has not addressed the concerns or questions raised by stakeholders in the previous consultation. From the material provided, it is not apparent to what extent, if any, the AESO actually addressed stakeholder concerns.

Suncor's concerns with the proposed rules are provided in the table below. Suncor believes that some of these concerns were raised previously but, as stated above, it does not appear that these concerns were addressed. Notably, the absence of comments regarding any particular proposed amendment by Suncor should not be interpreted as support for that amendment especially given the limited time permitted to review the proposed amendments since the Notices were issued.

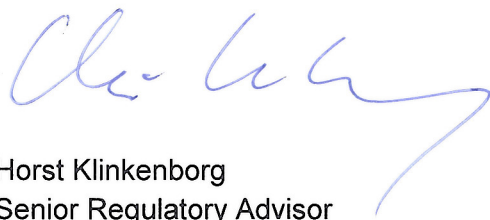
Reference	Comment
<p>ISO Rule Section 203.1</p> <p>Section 6(1)(b)</p>	<p>Suncor opposes the proposed addition to section 6(1) of this rule.</p> <p>First, the AESO has not provided the relevant details to actually assess the proposed changes to this rule. The ramp table itself must form part of the proposed rule change.</p> <p>Second, even if the AESO had provided the relevant details, it is unclear how the <i>ramp table</i> relates to the <i>ramp rate</i> in section 6(1)(a) and how, if at all, the addition of the <i>ramp table</i> affects other rule sections that reference <i>ramp rate</i>.</p> <p>Finally, this proposed rule change increases the burden on pool participants and the AESO has not provided any rationale for this change.</p>
<p>ISO Rule Section 202.7</p> <p>Section 3(2)(b) and 9(2)(c)</p>	<p>Suncor opposes the proposed deletions to section 3(2)(b) and 9(2)(c).</p> <p>An information rich environment is important to ensure that the interests of all stakeholders and the AESO are aligned. This is particularly true under abnormal circumstances. Without any rationale it is difficult to understand why the AESO proposes to provide less information to the market.</p> <p>Suncor therefore opposes the proposal for the AESO to provide less information during states of limited market operation or market suspension.</p>

Reference	Comment
<p>CADG Terms and Definitions</p> <p>“acceptable operational reason”</p>	<p>Suncor opposes the addition of subsection (vii) to the definition of <i>acceptable operational reason</i>.</p> <p>Transmission and/or distribution constraints do not affect the availability of a generating source asset. By definition, such constraints affect whether the generating source asset can be accessed through the grid. The operator of the generating source asset is not the right party to provide the relevant information to the AESO; this information should come directly from the associated TFO or DFO. Reflecting the information in the availability of the generation source asset obscures the real reason for the unavailability and creates an unnecessary error risk that may result in supply being inadvertently unavailable to be dispatched.</p>
<p>CADG Terms and Definitions</p> <p>“generating asset steady state”</p> <p>“ramping”</p>	<p>Suncor opposes the proposed language changes.</p> <p>Suncor recognizes the duplication of the “plus or minus” language between these definitions and the definition for <i>allowable dispatch variance</i>; however, the proposed changes result in awkward language that might lead to misinterpretation. It makes sense for a generating unit to reach a specific output level but not for it to reach “the allowable dispatch variance”.</p>

Finally, Suncor continues to be of the view that the information provided regarding the proposed amendments is not sufficient to meet the AUC Rule 017 information requirements. Suncor is appending its letter dated December 5, 2018, which described the issues with the AESO not meeting these information requirements, to this response.

If you have any question, please feel free to contact me

Sincerely,



Horst Klinkenborg
Senior Regulatory Advisor
Suncor Energy Marketing Inc.
as duly authorized agent for Suncor Energy Inc.



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December 5, 2018

ALBERTA ELECTRIC SYSTEM OPERATOR

Calgary Place
2500, 330 5 Avenue SW
Calgary, AB T2P 0L4

Attention: Alison Desmarais, Regulatory Coordinator

Re: Response to Notice re: Category 2 Rules dated November 20, 2018

Suncor Energy Inc. ("**Suncor**") has reviewed the Alberta Electric System Operator's ("**AESO**") notice and request for feedback on the proposed amended Category 2 Rules ("**Category 2 Rules**") dated November 20, 2018 (the "**Notice**"). The Notice states that the Market Surveillance Administrator, market participants and other interested parties ("**Stakeholders**") may submit written comments to the AESO using the *Stakeholder Comment Matrix – Draft Proposed ISO Rule* by December 5, 2018.¹ Suncor submits this letter and the attached preliminary comment matrices in response to the AESO's request for feedback.

Suncor is concerned that the Notice:

- does not meet the prescribed notification requirements of the Alberta Utilities Commission (the "**Commission**") Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission* ("**AUC Rule 017**"); and
- does not provide sufficient information to allow parties to comment in any meaningful way on the Category 2 Rules.

AUC Rule 017 prescribes specific notice requirements for developing a proposed ISO rule. This includes setting out the issue that the proposed rule is intended to address and describing the potential objective or purpose of the proposed rule. In this regard, subsections 4.3 and 4.4 of AUC Rule 017 specifically provide that:

4.3 The notice must set out:

- (a) the issue that a proposed rule is intended to address;
- (b) a description of the potential objective or purpose of the proposed rule;

¹ <https://www.aeso.ca/assets/Uploads/Letter-of-Notice-Category-2-Rules.pdf>, page 2 *Objectives/Purpose*.

(c) the manner in which the Market Surveillance Administrator, market participants, and other interested parties may submit:

(i) written comments;

[...]

(d) the deadline date for comments, which must not be less than 15 days from the later of:

(i) the date the notice is issued to the Market Surveillance Administrator, market participants, and other interested parties; or

(ii) the date the notice is issued on the ISO's website; and

(e) where the information set out in subsection 4.4 can be accessed.

4.4 When the notice is posted on the ISO's website, the ISO must also post a copy of any data, analyses or other material that the ISO considers to be relevant to the need for, the development of, removal of, or renewal of the proposed rule. [Emphasis added.]

The information in subsections 4.3 and 4.4 of AUC Rule 017 is required for stakeholders to understand the issue and reason or purpose the AESO's proposed amendments are intended to address and to provide meaningful comments.

The Notice does not provide the information required in AUC Rule 017. The Notice bundles together twenty four proposed amendments to ISO rules and instead of clearly setting out the issue that these proposed rules are intended to address, the AESO merely offers that the Category 2 Rules, as a whole, are "a priority"² and provides a vague list of issues, unattributed to actual rule(s) these issues apply to. The AESO then states that the "purpose of the proposed amendments to the Category 2 Rules is to address the issues stated above".

The Notice also states "[t]he AESO has posted, on the AESO website, any data, analyses, or other material that the AESO considers to be relevant to the development of the proposed amended Category 2 Rules". However, the link provided simply refers to previous stakeholder comments and AESO responses to those comments, and past AESO presentations. The link does not include any underlying data or analyses that may be relevant to the development of the proposed amended Category 2 Rules. Presumably the proposed rule changes are supported by data, analysis or other material.

As the Notice does not meet the AUC Rule 017 information requirements, Suncor's comments in respect of the Category 2 Rules in the attached comment matrix are preliminary only. Due to this lack of information, Suncor does not understand the issue some of the proposed amendments are intended to address or the reason or purpose of some of these proposed amendments. Accordingly, Suncor is unable to submit meaningful comments on some of the proposed amendments.

For example, the AESO states that one of the reasons or purposes for one of its amendments is to "include solar assets in Section 505.2 of the ISO rules, *Performance Criteria for Refund of Generating Unit Owner's Contribution*". Solar assets were already covered in Section 505.2 of

² <https://www.aeso.ca/assets/Uploads/Letter-of-Notice-Category-2-Rules.pdf>, page 1 Issue.

the ISO rules prior to the proposed amendment. The AESO has not identified any issue with the current consideration of solar assets in this rule or the purpose of the proposed revision. Further examples are identified in Suncor's preliminary comments in the attached comment matrix.

This Notice and comment process forms part of ISO rule development. The AESO may only file its application to the Commission for approval of the proposed Category 2 Rule amendments after it has undertaken this consultation process.³ The consultation process must be meaningful and afford stakeholders the opportunity to provide informed comments. Suncor submits that the AESO is required to publish a revised Notice, in compliance with the requirements set out in AUC Rule 017 discussed above, and to allow parties 15 days from that date to provide informed comments. Suncor further submits that any application based on a fundamentally flawed consultation process is likely also fundamentally flawed.

Sincerely,



Horst Klinkenborg
Senior Regulatory Advisor
Suncor Energy Marketing Inc.
as duly authorized agent for Suncor Energy Inc.

³ AUC Rule 017, subsections 6.2, 6.3, 6.6, and 7.2(a).