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December 9, 2019

Alberta Electric System Operator
330 5th Avenue SW
Calgary, AB
T2P 0L4

**Attention: Alison Desmarais
Regulatory Administrator, Legal & Regulatory Affairs**

Dear Ms. Desmarais:

RE: Notice of Develop of Proposed Amended ISO Rule – Section 203.1 Offers and Bids for Energy

TransAlta is provides the following comments and concerns with the AESO's proposal to proceed with amending Section 203.1: Offers and Bids for Energy.

Firstly, TransAlta is concerned the amended rule specifies in subsection 6(1)(b) that a pool participant of a generating source asset is required to provide "a ramp table in the manner the ISO specifies after a date specified by the ISO". However, the AESO has not consulted on the ramp table format or information or specified the date by which it requires the ramp table to be specified in the context of an energy-only market. We note that the coal units in the Alberta fleet are undergoing changes including increased co-firing and planned coal-to-gas conversions that will complicate providing ramp information to the AESO. We request that the AESO consult on the ramp table and the timeline for submitting this information so that pool participants have a reasonable opportunity to comply with the requirement in the amended rule.

Secondly, the AESO relies on consultation for the changes to the ISO Rule that were done in the context of changes that were necessary to implement a capacity market. We note that those consultations were conducted on large packages of rule changes. The expedited nature of the consultation provided limited ability to review those changes which were compensated for by the framework with provisional and final approvals for ISO rule changes. We disagree that consultation can simply be deemed to be sufficient and relied upon as meeting the intentions of AUC Rule 017 for a permanent change to Section 203.1.

Thirdly, the AESO is plans to engage in further consultation on the Flexibility Roadmap in 2020 including requirements to meet Net Demand Variability. We are concerned that we are being asked to provide ramp table information that will be misused to impose stringent dispatch tolerance requirements that cannot be met by assets but for in ideal conditions. We ask that the

AESO more fully present the its Flexibility Roadmap and explain how this ramp table requirement fits within that Flexibility Roadmap and its initiative to potential change dispatch tolerances.

TransAlta asks that the AESO provide greater transparency about full intention about the use of the ramp table information it is requesting. We had previously supported the concept of providing ramp tables to aid the system controllers in managing the system under the understanding that providing that information would not increase market participants' compliance risks. However, it now appears that the AESO may use ramp table information to increase market participant's compliance risk with respect to dispatch tolerance. The AESO needs to be more open with stakeholders and provide all of the information and its intent to enable participants to fully understand the potential impacts of the amended rule.

We appreciate the AESO's assistance with our request. Please feel free to send any correspondence or direct any questions or concerns regarding this letter or our request to akira_yamamoto@transalta.com or by phone at (403) 267-7304.

Yours truly,

TRANSALTA CORPORATION

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