

**Proposed Amended ISO rule – Section 203.6, *Market Requirements for Interchange Transactions***

<b>Period of Comment:</b>	November 14, 2018	<b>Contact:</b>	
<b>Comments From:</b>	Morgan Stanley Capital Group Inc. (“MSCG”)	<b>Phone:</b>	
<b>Date [yyyy/mm/dd]:</b>	November 14, 2018	<b>Email:</b>	

***Please provide comments relating to the subsection of the proposed amendments to the rule in the corresponding box. Please include any views on whether the language clearly articulates the requirement for either the AESO or a market participant, and provide any proposed alternative wording by blacklining the proposed language below.***

Section	Subsection	Proposed language	Stakeholder comments
		<b>Applicability</b>	
		Section 203.6 applies to: (a) a <b>pool participant</b> seeking to exchange or transact an import or export <b>interchange transaction</b> in the energy market or <b>ancillary services</b> market; and (b) the <b>ISO</b> .	
		<b>Requirements</b>	
2	(1)	A <b>pool participant</b> must submit an <b>offer</b> or <b>bid</b> for a <b>settlement interval</b> in the energy market or <b>ancillary services</b> market in order to initiate an <b>interchange transaction</b> .	
2	(2)	A <b>pool participant</b> that submits <b>offers</b> that are priced greater than or equal to \$0.01, or <b>bids</b> that are priced less than or equal to \$999.98 in the energy market in accordance with Section 203.1 of the <b>ISO rules</b> , <i>Offers and Bids for Energy</i> , or an <b>offer</b> in the <b>ancillary services</b> market, must initiate an <b>interchange transaction</b> only pursuant to a <b>dispatch</b> that the <b>ISO</b> issues.	

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2	(3)	A <b>pool participant</b> that submits a \$0.00 import <b>offer</b> or \$999.99 export <b>bid</b> for a <b>settlement interval</b> in the energy market must initiate an <b>interchange transaction</b> for the start of the <b>settlement interval</b> in accordance with this section 203.6.	
		<b>Procurement of Transmission Service by a Pool Participant</b>	
3	(1)	<p>A <b>pool participant</b> that initiates an <b>interchange transaction</b> must use all reasonable efforts to procure transmission service from applicable transmission service providers in an amount in MW at least equal to the <b>dispatch</b> volume in accordance with subsection 2(2) or in accordance with its submission volume in subsection 2(3), which reasonable efforts must include:</p> <ul style="list-style-type: none"> <li>(a) determining whether there is transmission service posted by the applicable transmission service providers and available for that <b>interchange transaction</b>; and</li> <li>(b) submitting a request to the applicable transmission service providers to procure the transmission service, if it has been posted and is available.</li> </ul>	
		<b>Submission of E-tags by Pool Participants</b>	
4	(1)	A <b>pool participant</b> with any import or export <b>interchange transactions</b> who has acquired transmission service must submit or adjust 1 or more <b>e-tags</b> to the <b>ISO</b> for the <b>interchange transactions</b> .	
4	(2)	<p>A <b>pool participant</b> subject to an energy market <b>dispatch</b> in accordance with subsection 2(2) must submit or adjust an <b>e-tag</b> as soon as reasonably practicable with a start time that is:</p> <ul style="list-style-type: none"> <li>(a) equal to or later than the time the e-tag is submitted or adjusted, but no earlier than the effective time of the <b>dispatch</b>; and</li> <li>(b) as soon as reasonably practicable, but no later than 40 minutes after the instruction time of the <b>dispatch</b>.</li> </ul>	
4	(3)	A <b>pool participant</b> that submits an <b>offer</b> or <b>bid</b> in accordance with subsection 2(3) must submit or adjust <b>e-tags</b> no later than the start of the <b>settlement interval</b> and with a start	

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		time that is equal to the start of the <b>settlement interval</b> .	
4	(4)	A <b>pool participant</b> must, when submitting or adjusting an <b>e-tag</b> , identify within the <b>e-tag</b> the corresponding <b>pool ID</b> and any other information the <b>ISO</b> specifies.	
4	(5)	<p>A <b>pool participant</b> must submit or adjust 1 or more <b>e-tags</b> for an <b>interchange transaction</b> such that the MW indicated in the <b>e-tags</b> aligns with:</p> <ul style="list-style-type: none"> <li>(a) the <b>dispatch</b> volume indicated in subsection 2(2) for the <b>pool asset</b>, or as otherwise set out in the <b>ISO rules</b>; or</li> <li>(b) the submission volume indicated in subsection 2(3) as stated at 2 hours prior to the start of the <b>settlement interval</b> for the <b>pool asset</b>, unless a restatement has been made in accordance with the provisions of this section 203.6, or as otherwise set out in the <b>ISO rules</b>.</li> </ul> <p><b>[Note to draft: The content in subsection 4(5) is currently under further consideration by the AESO]</b></p>	
		<b>Restatements</b>	
5	(1)	<p>If, after complying with subsection 3 the <b>pool participant</b> is unable to procure all or a portion of the requested transmission service, or the transmission service is curtailed by any transmission service provider other than the <b>ISO</b>, then the <b>pool participant</b> must submit, as applicable:</p> <ul style="list-style-type: none"> <li>(a) an energy restatement in accordance with Section 203.3 of the <b>ISO rules</b>, <i>Energy Restatements</i>; or</li> <li>(b) an <b>ancillary services</b> restatement in accordance with Section 205.3 of the <b>ISO rules</b>, <i>Restatements for Operating Reserve</i>.</li> </ul>	<p>MSCG agrees with the proposed change because it is consistent with the ISO Rule Proposal Form submitted to the AESO Rule Proposal Staff on October 9, 2018, confirming that importers are not required to submit restatements when transmission service is curtailed directly by the balancing authority, i.e. AESO.</p> <p>Further to this, we would like to request clarification as to whether this also applies in instances where pool participants receive the Available Transfer Capability restatement allocations directly from the AESO. While this instance is similar to the curtailment of available transmission capacity, and pursuant to our rule proposal, we believe Available Transfer Capability and curtailments should be afforded the same treatment, we were not able to find a reference to Available Transfer Capability restatements in the proposed language.</p> <p>To the extent that these proposed amendments will not go into effect until 2021, we would like to request expedited clarification on the proposed amendment we have put forth on October 9, 2018; specifically, in cases where the importers receive the Available Transfer</p>

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			Capability restatement allocations directly from the AESO, or curtailment of E-tags directly by the AESO post T-20, that the balancing authority is sufficiently equipped with the necessary restatement information; and therefore, in these cases restatement of the schedule would not be required.
		<b>Validation of E-Tags by the ISO</b>	
6	(1)	The <b>ISO</b> must validate an <b>e-tag</b> in order to maintain <b>reliability</b> and market operations under the existing <b>ISO rules</b> .	
6	(2)	The <b>ISO</b> may deny an <b>e-tag</b> if: <ul style="list-style-type: none"> <li>(a) the <b>e-tag</b> is incomplete or incorrect;</li> <li>(b) the <b>interchange transaction</b> is not being transacted by a <b>pool participant</b>;</li> <li>(c) the <b>e-tag</b> does not comply with subsection 4; or</li> <li>(d) required for the reliable operation of the <b>interconnected electric system</b>.</li> </ul>	

**Please provide your comments on the following (as set out in AUC Rule 017 s. 13(b-j)):**

Item #		Stakeholder comments
1	whether you agree that amended ISO rule – Section 203.6, <i>Market Requirements for Interchange Transactions</i> relates to the capacity market and why or why not	
2	whether you agree that amended ISO rule – Section 203.6, <i>Market Requirements for Interchange Transactions</i> should [or should not] be in effect for a fixed term and why or why not	
3	whether you understand and agree with the objective or purpose of amended ISO rule – Section 203.6, <i>Market Requirements for Interchange Transactions</i> and whether, in your view, Section 203.6, <i>Market Requirements for Interchange Transactions</i> meets the objective or purpose	
4	how, in your view, amended ISO rule – Section 203.6, <i>Market Requirements for Interchange Transactions</i> affects the performance of the capacity market and the electricity market	
5	your views on any analysis conducted or commissioned by the AESO supporting amended ISO rule – Section 203.6, <i>Market Requirements for Interchange Transactions</i>	
6	whether you agree with amended ISO rule – Section 203.6, <i>Market Requirements for Interchange Transactions</i> taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market	

Item #		Stakeholder comments
7	whether you would suggest any alternatives to amended ISO rule – Section 203.6, <i>Market Requirements for Interchange Transactions</i>	
8	whether you agree that the proposed provisional rule supports ensuring a reliable supply of electricity at a reasonable cost to customers and why or why not	
9	whether you agree that the proposed provisional rule supports the public interest and why or why not	

***Please provide your views on the type of content that should be included in an information document associated with amended ISO rule – Section 203.6, Market Requirements for Interchange Transactions.***