

ALBERTA UTILITIES COMMISSION

IN THE MATTER OF Alberta Utilities Commission Proceeding No.
23757, Alberta Electric System Operator, ISO Rules to Implement the
Capacity Market

CANADIAN SOLAR INDUSTRIES ASSOCIATION

WRITTEN ARGUMENT

June 21, 2019

FIRST SET OF ISO RULES

TO ESTABLISH AND OPERATE THE CAPACITY MARKET

Proceeding 23757

To: Alberta Utilities Commission
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I. INTRODUCTION

A. CanSIA's active role in the Proceeding

1. The Canadian Solar Industries Association ("**CanSIA**") is the national, not-for-profit trade association that represents the solar energy industry throughout Canada. CanSIA's members include entities involved with large-scale solar generation, micro-generation, and community generation. Among the many important aspects of its mandate is CanSIA's work on policy matters that influence the solar market today and in the future. CanSIA advocates for its members in the context of government relations, policy, and regulatory advocacy, including in proceedings before the Alberta Utilities Commission ("**AUC**" or "**Commission**").
2. CanSIA was an active participant in the Alberta Electric System Operator ("**AESO**") stakeholder process to review the first set of ISO Rules to establish and operate the capacity market ("**Proposed ISO Rules**"), including the AESO tariff advisory workgroup that developed the capacity market cost allocation methodology.
3. CanSIA has similarly been actively involved in AUC Proceeding 23757 ("**Proceeding**") in order to ensure its members' interests are appropriately represented in the Proceeding and considered by the AUC in any decisions regarding implementation of the Proposed ISO Rules. CanSIA: participated in all pre-hearing conferences; filed written and rebuttal evidence;¹ participated in the AESO's technical meeting; presented a panel during the oral hearing ("**CanSIA Panel**") comprised of one representative of CanSIA, Mr. Wesley Johnston, President and Chief Executive Officer, and one independent expert, Mr. Leonard Olien of Solas Energy

¹ Exhibit 23757-X125, (CanSIA Submission Regarding Proceeding 23757); Exhibit 23757-X404.02, (Solas Report); Exhibit 23757-X506, (Solas Rebuttal Report), and; Exhibit 23757-X532, (Solas Response to the AESO application errata filing of April 2, 2019).

Consulting (“**Solas**”); and CanSIA’s counsel cross-examined two panels of AESO representatives during the oral portion of the Proceeding.

4. CanSIA submits that its members are uniquely impacted by a number of the Proposed ISO Rules because solar generation differs from other electricity generation technologies. For example, solar generation facilities are often sited on rooftops behind-the-meter of residential, commercial and institutional load customers, and is commonly co-located with other generation or storage assets. In addition, the introduction of community generation initiatives for solar energy will result in a new and more diverse array of parties from civil society becoming involved in the development of solar facilities in the province. Currently, there is approximately 75 megawatts (“**MW**”) of solar electricity generation capacity in operation in Alberta and several gigawatts under development. CanSIA contends that the commercial value of these existing facilities and the projects in development will be directly affected, and in some cases adversely affected, by the implementation of the Proposed ISO Rules.

B. CanSIA’s cooperation with other parties to promote hearing efficiency

5. Throughout the Proceeding, CanSIA has respected the Commission’s direction encouraging parties who have similar interests to cooperate wherever possible.² To this end, CanSIA has collaborated with ENMAX Energy Corporation, Pembina Institute for Appropriate Development, and the Office of the Utilities Consumer Advocate to prepare a joint final written argument (“**Joint Argument**”) that addresses issues in which the parties are aligned.³

² AUC Exhibit 23757-X0420 at 2, where the Commission encouraged parties to cooperate with each other; see also: AUC Hearing Transcript, Proceeding 23757, Vol. 3 (April 24, 2019) at 416:22-25, 427:1, where CanSIA’s counsel notes CanSIA’s efforts at cooperation and, in light of this, CanSIA limiting its cross examination questioning to just two issues.

³ As filed by ENMAX Energy Corporation on June 21, 2019 on behalf of the parties.

6. In particular, the Joint Argument addresses: outstanding concerns regarding the AESO's Resource Adequacy Model ("**RAM**") and the potential for over procurement; the need to delay the initial capacity market auctions to allow for the RAM to be corrected; and responses to the AUC's direction to provide argument on the legal interpretation of the following points:
- a. the resource adequacy standard (section 2 of the *Capacity Market Regulation*)⁴ and, in particular, the requirement to forecast load and expected unserved energy, and normalized expected unserved energy to determine the amount of capacity to procure to meet the resource adequacy standard (subsection 2(3)); and
 - b. how the Proposed ISO Rules can satisfy both of the requirements for the fair, efficient and openly competitive operation of the capacity market and support ensuring a reliable supply of electricity is available at reasonable cost to customers (see: subsections 20.22(5)(ii) and 20.22(5)(iv) of the *Electric Utilities Act*).⁵
7. CanSIA submits that co-sponsoring a Joint Argument in such a manner promotes hearing efficiency and the prudent allocation of AESO, intervener, and Commission resources.
8. CanSIA also notes that the following parties, having filed statements of intent to participate and to whom the Commission granted standing, have also filed materials supporting CanSIA's Proceeding submissions: Canadian Wind Energy Association,⁶ BluEarth Renewables Inc.,⁷

⁴ AR 260/2018.

⁵ SA 2003, C E-5.1.

⁶ AUC Exhibit 23757-X130.

⁷ AUC Exhibit 23757-X127.

EDF Renewables Inc.,⁸ Greengate Power Corporation,⁹ Whitecourt Power Limited Partnership,¹⁰ and NextEra Energy Canada LP.¹¹ These parties ultimately participated in the proceeding through their membership in, or discussions with, CanSIA; again promoting efficiency.

C. CanSIA's final argument on issues specific to its members

9. CanSIA files this separate final written argument to address issues specific to its members which are not addressed in the Joint Argument, namely:
 - (a) the risk of over-procurement and corresponding impacts on energy market prices;
 - (b) the impact of rounding of uniform capacity value ("**UCAP**") on renewable generation; and
 - (c) the method of calculating UCAP of aggregated assets.

10. CanSIA supports the position of Energy Storage Canada Coalition to eliminate the 4-hour requirement for energy storage in the Proposed ISO Rules. CanSIA submits that the 4-hour rule discriminates against energy storage technologies and is therefore not consistent with a fair, efficient, and openly competitive market.

⁸ AUC Exhibit 23757-X128.

⁹ AUC Exhibit 23757-X0077.

¹⁰ AUC Exhibit 23757-X126.

¹¹ AUC Exhibit 23757-X0079.

II. ISSUES

A. Risk of over-procurement and corresponding impacts on energy market prices

11. CanSIA submits that the same process used to re-evaluate the AESO's initial RAM and Gross Minimum Procurement Volume (“**GMPV**”) calculations should be applied to determine the shape of the demand curve and for the timing of the GMPV calculation.
12. At the direction of the Commission, the AESO engaged industry stakeholders in a technical meeting on the RAM.¹² Stakeholders were given the opportunity to present evidence and engage in technical discussions on the model inputs, outputs and calibration. As a result, the AESO examined several model inputs which resulted in a revised proposed GMPV.¹³ The revisions occurred even though an AESO representative (Ms. Leblanc) testified that the AESO was comfortable with the initial RAM assessment and GMPV, which were calculated in November 2018 and submitted in the original Proposed ISO Rule 207.2A.¹⁴

i. *Shape of the Demand Curve*

13. CanSIA submits that the proposed demand curve shape does not support capacity at reasonable cost, and that a technical session on the shape of the demand curve, similar in nature to that used to re-evaluate the AESO's initial proposed RAM assessment and GMPV calculation, would allow stakeholders and the AESO to identify the technical deficiencies in the demand curve analysis and propose appropriate solutions.
14. CanSIA notes that the AESO has proposed a demand curve that is determined by three points:

¹² AUC Exhibit 23757-X0419 at PDF 5 of 7, para 15.

¹³ See footnote in the revised rule 207.2A.

¹⁴ AUC Hearing Transcript, Proceeding 23757, Vol. 8 (May 1, 2019) at 1104:4-12.

- a. A point where the price cap ($1.75 \times \text{Net-Cost of New Entry ("CONE")}$) meets the GMPV;
 - b. The inflection point at $0.875 \times \text{Net-CONE}$ and $107\% \times \text{GMPV}$; and
 - c. The foot at $\$0/\text{KW-year}$ and $118\% \times \text{GMPV}$.¹⁵
15. CanSIA also notes that the AESO's proposed demand curve shape was validated by an analysis performed by the Brattle Group ("**Brattle**").¹⁶ However, CanSIA submits that the Brattle analysis has not been subject to the same level of transparency as the RAM and GMPV calculations.
16. CanSIA submitted expert evidence establishing that the assumed shape of the Brattle supply curve does not reflect the robustness of the supply available in the Alberta market.¹⁷ During cross-examination of the Brattle analysis, Dr. Kathleen Spees testified that "a competitive marketplace should converge to long-run marginal cost or the net CONE."¹⁸ When asked whether increasing the volume of offers in the shape block (which is the capacity market offers at a price greater than $\$0/\text{KW-year}$) would change the results of the Brattle analysis, Dr. Spees testified that increasing the volume would not change the result because prices could not stay consistently below Net-CONE unless there was something wrong with the market. Dr. Spees stated that Brattle had not performed such an analysis, but that she nevertheless knew what the model would produce.¹⁹

¹⁵ AUC Exhibit 23757-X0284 at PDF 42 of 163, at para 132.

¹⁶ AUC Exhibit 23757-X0284 at PDF 42 of 163, at para 127 (referencing Appendix L, AUC Exhibit 23757-X0341).

¹⁷ AUC Exhibit 23757-X0404.2 at PDF 14 of 58, section 4.

¹⁸ AUC Hearing Transcript, Proceeding 23757, Vol. 8, (May 1, 2019) at 1110:21-22.

¹⁹ AUC Hearing Transcript, Proceeding 23757, Vol. 8, (May 1, 2019) at 1121:24-1122:18.

17. In contrast, the AESO stated in the Wholesale Electricity Market Transition Recommendation, when referring to PJM, ISONE and NYISO:

The experience to date in these capacity markets has been that capacity prices have settled significantly below the net-(CONE) [...] There is no reason to expect that similar results would not be seen in an Alberta capacity market.²⁰

18. CanSIA submits that the testimony of Dr. Spees is not consistent with the statements made by the AESO in support of its recommendation to transition to a capacity market. This inconsistency supports CanSIA's concern that the Proposed Rules based on the Brattle analysis are likely technically deficient.

19. The Brattle evidence titled "Alberta's Capacity Market Demand Curve" (the "**DC Report**") states:

[...] we did review the indicative curves developed by the AESO staff and validated that the general shape of the supply curves we use are generally consistent with the economics of Alberta's current fleet.²¹

Under cross-examination, Dr. Spees confirmed that the indicative curves were very consistent with the curves used in the Brattle analysis.²²

20. Also during cross-examination, CanSIA counsel (Ms. Oleniuk) asked Ms. Leblanc if the AESO had shared the indicative curves with stakeholders or filed them on the record.²³ Ms.

²⁰ AUC Exhibit 23757-X0376 at PDF 91 of 106.

²¹ AUC Exhibit 23757-X0341 at PDF 19 of 42.

²² AUC Hearing Transcript, Proceeding 23757, Vol. 8, (May 1, 2019) at 1123:17-1124:6.

²³ AUC Hearing Transcript, Proceeding 23757, Vol. 8, (May 1, 2019) at 1124:7-9.

Leblanc testified that the supply curves were filed in Exhibit 302, Figure 6.²⁴ The indicated figure is reproduced below for ease of reference as **Figure 1**.

Figure 6: Reference Case Scenario Capacity Market Supply & Demand Curve – 2021

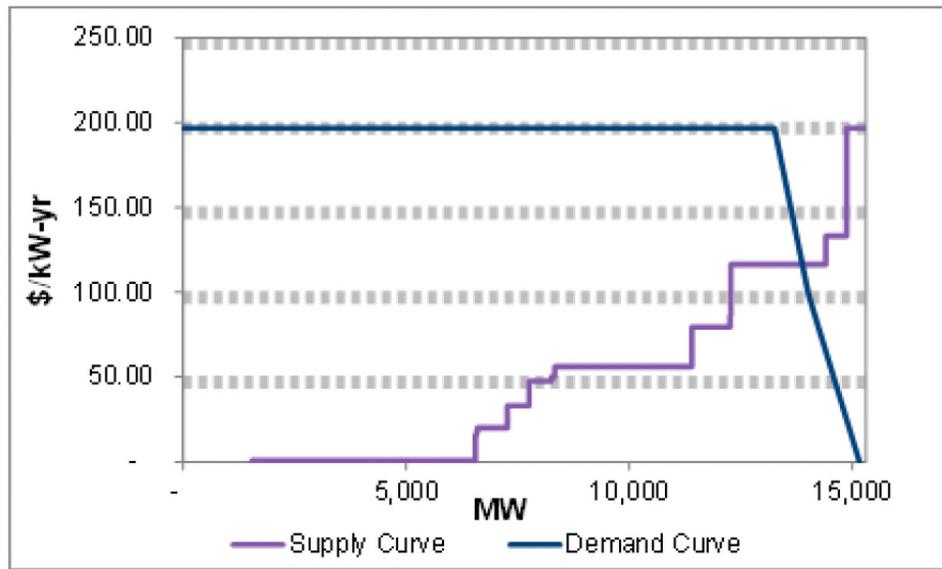


Figure 1: AESO Supply Curve²⁵

21. It is clear from the figure that the supply curve used by the AESO includes a total available capacity of approximately 15,000 MW on a UCAP basis.

22. CanSIA also submitted evidence prepared by Solas that compared the volume of capacity used by Brattle in their analysis to a conservative assumption of Alberta Total Supply. The Solas calculations indicated that the Brattle supply was just over 12,000 MW.²⁶ CanSIA submits that

²⁴ AUC Hearing Transcript, Proceeding 23757, Vol. 8, (May 1, 2019) at 1125:4-6.

²⁵ AUC Exhibit 23757-X0302.01 at PDF 233 of 705, Figure 6.

²⁶ AUC Exhibit 23757-X0404.02 at PDF 20 of 58, Figure 5.

12,000 MW used by Brattle is not “generally consistent” with the 15,000 MW of capacity illustrated in the AESO supply curve from Figure 1.

23. Under cross-examination, Dr. Spees testified that, in Exhibit 550, Figure 1, “the curves that we used in the model are the dark blue curves”.²⁷ The referenced figure is reproduced below for ease of reference as Figure 2.

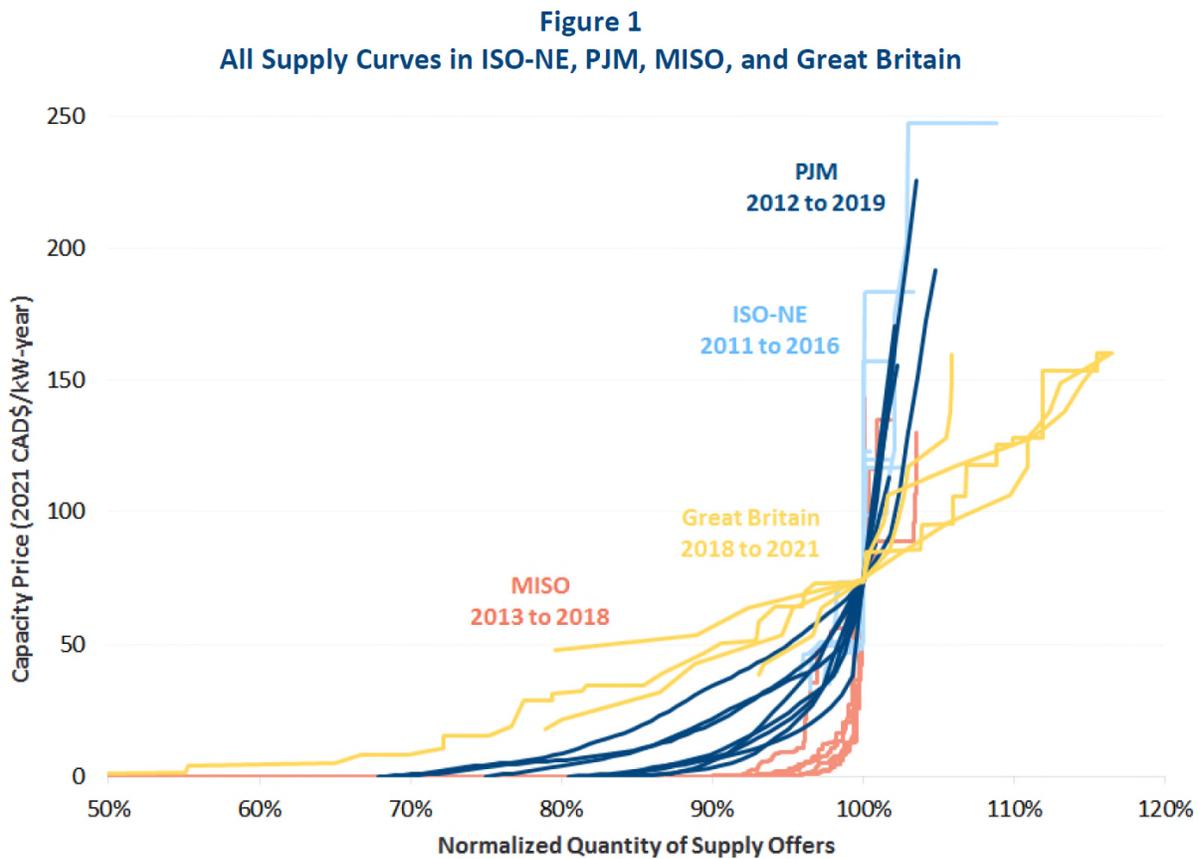


Figure 2: Brattle Supply Curves

²⁷ AUC Hearing Transcript, Proceeding 23757, Vol. 8, (May 1, 2019) at 1124:11-17.

24. In comparing the blue curves from Figure 2 to the purple supply curve in Figure 1, CanSIA does not agree that the curves are “consistent”. In particular, CanSIA submits that the AESO curve is much flatter.
25. The AESO determined that it will aim to procure a level of supply consistent with 0.0011%, 95% of the time.²⁸ The AESO’s proposed demand curve was validated in the Brattle analysis because the frequency of simulations that cleared below the minimum quantity was 5%.²⁹ CanSIA submits that, as illustrated in the Solas Report,³⁰ had a flatter supply curve been used in the Brattle analysis, the frequency of simulations that cleared below the minimum quantity would have been less than 5%, and a steeper demand curve would need to be assessed.
26. CanSIA also submits that, based on the arguments above, a detailed assessment of the assumptions used in the Brattle analysis is required and remains outstanding. Accordingly, CanSIA submits that, given the lack of clarity around the Brattle assumptions and the strong indication that the Proposed ISO Rules concerning the shape of the demand curve are technically deficient, the threshold for Commission approval has not been met by the AESO.
27. Given the foregoing, CanSIA respectfully requests that the Commission direct the AESO to conduct a technical session on the shape of the demand curve that would allow stakeholders and the AESO to identify the technical deficiencies in the Brattle Demand Curve analysis and propose appropriate solutions.

²⁸ AUC Exhibit 23757-X0341 at PDF 19 of 42.

²⁹ AUC Exhibit 23757-X0341 at PDF 29 of 42, Table 3.

³⁰ AUC Exhibit 23757-X0404.02 at PDF 21-24 of 58.

ii. *Timing of the GMPV calculations*

28. CanSIA notes that the AESO provided evidence during cross-examination that the timing of the elements of the base auction process were still under discussion.³¹

29. CanSIA submits that stakeholders should have an opportunity to be consulted and provide feedback on the proposed auction timeline process, as the changes in the GMPV calculated in May 2019 compared to November 2018 indicate that six months is a sufficient amount of time to influence the GMPV.³² Accordingly, CanSIA submits that the Commission should require the AESO to prepare and implement a GMPV governance process that allows for stakeholder comments and that any updating of the GMPV is done at a date closer to the actual auction.

B. Rounding the UCAP for renewable generation

30. CanSIA submits that the AESO approach to rounding of UCAP values under proposed Rule 206.3 Section 2(2) results in discriminatory treatment of small generation assets.

31. The proposed section states:

The ISO must, when calculating uniform capacity values and uniform capacity value ranges in accordance with this section 206.3:

- (a) Round uniform capacity values above 1MW to the nearest positive integer;

³¹ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 372:20-25, 373:1.

³² AUC Exhibit 23757-X0720 at PDF 5 of 40.

- (b) Round the upper and lower limits of the uniform capacity value ranges to the nearest positive integer, as applicable; and
- (c) Not round uniform capacity values below 1MW.³³

32. CanSIA's evidence illustrates the unfair impact Proposed ISO Rule 206.3 Section 2(2) has on generating facilities with a small UCAP.³⁴ As well, under cross examination, Mr. Hnatyshyn agreed that the impact of rounding is greater for smaller generators.³⁵ Moreover, Mr. Hnatyshyn agreed that AESO data collection includes accuracy of one decimal place on the AESO project list and the renewable electricity support agreements,³⁶ and Mr. Dawson agreed that the AESO uses four decimal places for settlement volumes:

- 11 Q. In light of those examples, it doesn't appear to be
- 12 typical for the AESO to consider megawatt volumes in
- 13 terms of the nearest positive integer, particularly
- 14 when calculating revenue. Is that a fair statement?
- 15 A. MR. DAWSON: I think that's fair in terms of
- 16 calculating revenue.
- 17 I would point out that I think for the capacity
- 18 market situation, the closer analogue would be the
- 19 energy market where offers in the energy market are
- 20 more on whole megawatt basis.³⁷

³³ AUC Exhibit 23757-X0287.07 at PDF 42 of 105.

³⁴ AUC Exhibit 23757-X0404.02 at section 6.2, PDF 37-38 of 58.

³⁵ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 420:14-20.

³⁶ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 418:8-25.

³⁷ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 419:1-10.

33. CanSIA concedes that Mr. Dawson is correct in that offer blocks in the energy market are made in whole MW increments. However, revenue in the energy market is based on the energy market settlement volumes that are kept to four decimal places, as illustrated by the above. In the capacity market, the AESO proposed to allow resources to offer their UCAP in up to seven offer blocks.³⁸ The cleared offer blocks determine the Capacity Commitment, which is a positive integer³⁹ and is the volume used to calculate the capacity payment.⁴⁰ Therefore, the capacity market diverges from the energy market in that the calculation of revenue will be based on values rounded to the nearest MW. As such, CanSIA submits that the fair and accurate settlement of capacity market revenue is of greater importance than being consistent with the offer structure in the energy market. Indeed, CanSIA specifically notes that the AESO's practice of rounding settlement values in the energy market to four decimal places appears to embody this principle.

34. In subsequent questioning, Mr. Dawson testified that the integration of fractional MW UCAP could be problematic:

19 And I guess my question to the panel would be if
20 the AESO were directed by the Commission to incorporate
21 rounding to a single decimal place, would that change
22 in a negative way the integrity or the effect of
23 functioning of the AESO's proposed capacity market?
24 A. MR. DAWSON: I think as Mr. Hnatyshyn at least

³⁸ AUC Exhibit 23757-X0287.03 at PDF 19 of 105, (Proposed ISO Rule 201.12 Section 2(1)).

³⁹ AUC Exhibit 23757-X0287.03 at PDF 1 of 105.

⁴⁰ AUC Exhibit 23757-X0287.03, at PDF 10 of 105, (Proposed ISO Rule 103.10 Section 2).

25 hinted at, maybe covered in his prior answer, we would

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1 have a concern about the integration, then, of
2 fractional megawatts of UCAP into the performance
3 methodology that the availability component of that is
4 based off of energy offers into the market, and those
5 offers are done on a whole- megawatt basis.
6 So we would see a disconnect between then the UCAP
7 volume that we're looking to measure performance
8 against and the ability to do that with energy offers
9 for that component.⁴¹

35. CanSIA submits that Mr. Dawson's concern about the performance methodology is misplaced, and that the "disconnect" is in fact in the opposite direction. For the purposes of the availability assessment, dispatchable resources will have their available capacity compared with their UCAP. The available capacity will be determined by energy market offers which are submitted in whole MW (i.e. without decimal places). A capacity market participant can choose a whole-MW UCAP from within their UCAP range⁴² to minimize any disconnect. However, for non-dispatchable resources, such as solar facilities, a capacity market participant's available assessment will be determined by its energy production, which has been demonstrated to be calculated to four decimal places. CanSIA submits that there is no ability for this resource to

⁴¹ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 425:19 to 426:9.

⁴² AUC Exhibit 23757-X0287.03 at PDF 54 of 105, (Proposed ISO Rule 206.3, section 12(1)).

minimize the disconnect between an integer UCAP (i.e. UCAP measured in whole MW) and the energy market volume.

36. Given the foregoing, CanSIA submits that the impact of UCAP rounding to whole integers is far greater on smaller generators, and therefore Proposed ISO Rule 206.3 Section 2(2) cannot support a fair market.

C. Method of calculating UCAP of aggregated assets

37. CanSIA submits that that Proposed ISO Rule 206.3, Section 6(9) results in unfair treatment of renewable power generating units, including solar. CanSIA notes that it has filed evidence on the record in support of this view, which is uncontested.⁴³

38. Further, CanSIA notes Mr. Hnatyshyn's clarification of the AESO's intention behind the proposed calculation of aggregated asset UCAP, which was provided in response to cross-examination by CanSIA. Mr. Hnatyshyn gave the following response when considering a scenario involving the aggregation of a solar unit and a gas generation unit:⁴⁴

15 -- as we discussed with ATCO earlier this
16 morning, that the approach for the aggregation really
17 was initially intended to be for the aggregation of
18 capacity factor or environmental-type units together to
19 be enable them to get above the minimum performance --
20 or minimum-size requirement but also to allow them to
21 improve the UCAP or stabilize the UCAP if there were

⁴³ AUC Exhibit 23757-X404.02.

⁴⁴ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 429:7-22.

39. CanSIA notes that Mr. Hnatyshyn agreed that UCAP is “meant to be an objective representation of the reliability value.”⁴⁶ However, Mr. Hnatyshyn also confirmed that the UCAP of a gas unit when aggregated with a solar unit would be less than the UCAP for the gas unit when aggregated with another gas unit.⁴⁷ CanSIA submits that a rule that changes the UCAP of a resource is not consistent with the principle that UCAP is an objective representation of the an asset’s reliability value. As such, Proposed ISO Rule 206.3, Section 6(9) should not be approved.

40. In summary, CanSIA submits that, while aggregating a renewable resource with a dispatchable resource stabilizes the UCAP and is consistent with the AESO’s intent for aggregation, changing the UCAP methodology for a gas unit because it aggregates with a renewable generation (such as solar) unfairly discriminates against the ability of renewable generation units to manage risk. As such, CanSIA submits that the proposed calculation of UCAP for aggregated assets prejudices renewable generation units, such as solar, and is not consistent with AESO’s stated intent that the UCAP be an objective representation of reliability value.

⁴⁵ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 429:14-22.

⁴⁶ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 430:2-7.

⁴⁷ AUC Hearing Transcript, Proceeding 23757, Vol. 3, (April 24, 2019) at 429:8-14.

III. RELIEF SOUGHT

41. Section 20.21 of the *Electric Utilities Act*⁴⁸ prescribes the conditions by which the Commission may approve a Proposed ISO Rule. The Commission may only approve of a Proposed ISO Rule if it is satisfied that the rule:

- (i) is not technically deficient,
- (ii) supports the fair, efficient and openly competitive operation of the market to which it relates, and
- (iii) is in the public interest.⁴⁹

If the Proposed ISO Rule relates to the capacity market, the Commission must also be satisfied that the rule:

- (i) supports ensuring a reliable supply of electricity is available at reasonable cost to customers, and
- (ii) does not conflict with and is not inconsistent with the regulations, and
- (iii) that the Independent System Operator, in developing the rule, complied with the Commission rules.⁵⁰

Further, in the rule approval process, the AESO has the onus of satisfying the Commission in respect of the above conditions.⁵¹ After considering a proposed rule, the Commission may, by order:

⁴⁸ SA 2003, C E-5.1.

⁴⁹ *Ibid* at s. 20.21 (2) (i-iii)

⁵⁰ *Ibid* at s. 20.21 (2) (b) (i-ii) and (c).

⁵¹ *Electric Utilities Act*, SA 2003, C E-5.1 at s 20.21 (3).

- (i) approve the ISO rule,
- (ii) direct the Independent System Operator to revise the ISO rule or a provision of the ISO rule and approve the ISO rule subject to the Commission being satisfied that the ISO rule has been revised by the Independent System Operator, in accordance with the directions set out in the order, by the date set out in the order, or
- (iii) refuse to approve the ISO rule.⁵²

42. Noting the above-mentioned considerations and the Commission's authority to refuse to approve a rule or otherwise direct the AESO to undertake revisions, CanSIA requests:

- a. The Commission refuse to approve Proposed ISO Rule 207.1 Section 5⁵³ which stipulates that the ISO must file the GMPV with the Commission 4 months before the commencement of the qualification process. The rule does not contribute to the efficient operation of Alberta's energy market. CanSIA requests the Commission direct the AESO to prepare a governance process and conduct a stakeholder engagement process with the purpose of determining the GMPV at a time closer to the auction clearance date;
- b. The Commission refuse to approve Proposed ISO Rule 207.2A⁵⁴ because it is technically deficient. CanSIA requests the Commission direct the AESO to re-file

⁵² Electric Utilities Act, SA 2003, C E-5.1 at s 20.21 (1).

⁵³ AUC Exhibit 23757-X0286.02, PDF 2 of 19.

⁵⁴ AUC Exhibit 23757-X0286.02, PDF 4 of 19.

a revised rule 207.A at a date determined in the governance process described in paragraph 42a;

- c. The Commission refuse to approve Proposed ISO Rule 207.4 Section 2(1)⁵⁵ which describes the shape of the capacity market demand curve. The rule is technically deficient. CanSIA requests the Commission direct the AESO to:
- (1) Conduct a technical meeting to engage stakeholder feedback and identify adjustments to the analysis;
 - (2) Revise the rule based on these consultations, and;
 - (3) File an amended rule after the completion of any such technical meeting;
- d. The Commission refuse to approve Proposed ISO Rule 206.3, section 6(1)(d) because it does not contribute to the efficient operation of Alberta's energy market. CanSIA requests the Commission direct that Rule 206.3, section 6(1)(d) be struck from the Proposed ISO Rules; and
- e. The Commission refuse to approve Proposed ISO Rule 206.3, Section 6(9) because it does not contribute to the efficient operation of Alberta's energy market. CanSIA requests the Commission not approve the rule and direct:

⁵⁵ AUC Exhibit 23757-X0286.02, PDF 17 of 19.

- (1) that Rule 206.3 Section 6(9) be struck from the Proposed ISO Rules; and
- (2) the AESO to revise associated Proposed ISO Rules to reflect the removal of Proposed ISO Rule 206.3, Section 6(9).

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 21st day of June, 2019.



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