

ISO Rules

Part 200 Markets

Division 206 Interim Market Power Mitigation

Section 206.2 Interim Supply Cushion Directives



Applicability

- 1 Section 206.2 applies to:
- (a) a **pool participant** with an **eligible long lead time asset**; and
 - (b) the **ISO**

in accordance with the *Supply Cushion Regulation*, AR 42/2024.

Requirements

Information to be Provided for an Eligible Long Lead Time Asset

- 2(1) A **pool participant** must submit to the **ISO**, for an **eligible long lead time asset**:
- (a) estimated cost parameters including:
 - (i) all variable charges under the **ISO tariff** applicable to the **eligible long lead time asset**, including any applicable **loss factor** charge or credit;
 - (ii) variable operational and maintenance charges;
 - (iii) heat rates to inform the fuel cost to start and run the **eligible long lead time asset**;
 - (iv) **emissions costs**; and
 - (v) any other information requested by the **ISO**; and
 - (b) accurate physical constraints including:
 - (i) **initial start-up time**;
 - (ii) **minimum off time**;
 - (iii) **ramp rate**;
 - (iv) **minimum stable generation**;
 - (v) **maximum run up time**; and
 - (vi) **minimum on time**.
- (2) A **pool participant** must submit the information in subsection 2(1):
- (a) by June 21, 2024 for any **eligible long lead time asset** that is in **commercial operation** prior to June 21, 2024; or
 - (b) 48 hours after an **eligible long lead time asset** achieves **commercial operation** as an **eligible long lead time asset** in any other case.
- (3) A **pool participant** must:
- (a) ensure the information provided to the **ISO** in subsection 2(1) remains accurate and up to date; and
 - (b) submit to the **ISO** any changes to the information provided to the **ISO** in subsection 2(1) as soon as practicable.
- (4) A **pool participant** must submit the information required under subsections 2(1) and 2(3)(b) in the form published on the AESO website.

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(5) The **ISO** must review the information submitted by the **pool participant** in subsection 2(1) and 2(3)(b) to ensure completeness in a timely manner, and may request additional clarification or information from the **pool participant**.

(6) The **ISO** must, upon satisfaction of subsection 2(4), provide written notification to the **pool participant** that the information received under subsection 2 will be used by the **ISO** for issuing **unit commitment directives** under subsection 4.

Anticipated Supply Cushion

3(1) The **ISO** must:

- (a) determine the **anticipated supply cushion** for a **settlement interval** based on:
 - (i) the **availability capability** of applicable **source assets**;
 - (ii) estimated output from wind and solar **generating units**;
 - (iii) estimated total net imports and exports on all **interties**;
 - (iv) estimated **Alberta internal load**; and
 - (v) any other relevant variable as determined by the **ISO**.
- (b) publish the methodology underlying the determination referenced in subsection 3(1) on the AESO website.

(2) The **ISO** must provide reasonable notice of any changes to the methodology referenced in subsection 3(1).

Issuance of Directives

4(1) The **ISO** must, if the **anticipated supply cushion** determined under subsection 3(1) will be less than the **supply cushion threshold** for any **settlement interval**:

- (a) minimize the deficit to the extent reasonable for the safe, reliable and economic operation of the **interconnected electric system** by issuing **unit commitment directives** to **pool participants** for **eligible long lead time assets**; and
- (b) determine the order of **unit commitment directives** according to the relative economic merit and physical constraint parameters of **eligible long lead time assets**.

(2) The **ISO** must ensure that a **unit commitment directive** requires an **eligible long lead time asset** to operate, specifying

- (a) for an **eligible long lead time asset** that is not already online, the start time of when the **eligible long lead time asset** will be required to synchronize to the **interconnected electric system**; and
- (b) the period of time the **eligible long lead time asset** is required to operate.

(3) The **pool participant** must, on receipt of a **unit commitment directive**, in accordance with a **unit commitment directive**:

- (a) if the **eligible long lead time asset** is not already synchronized to the **interconnected electric system**:
 - (i) synchronize by the time specified by the **ISO** and ramp up the **eligible long lead time asset** to its **minimum stable generation**; and

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- (ii) continue to operate the **eligible long lead time asset** at or above its **minimum stable generation** until at least the end time specified by the **ISO**.
 - (b) if the **eligible long lead time asset** is already synchronized to the **interconnected electric system**, continue to operate the **eligible long lead time asset** until at least the end time specified by the **ISO**.
- (4) The **ISO** must not, notwithstanding subsection 4(1), issue a **unit commitment directive** that would require the **pool participant** to cancel an outage for an **eligible long lead time asset**.
- (5) The **ISO** is not required to take any steps to maintain the **supply cushion threshold** other than those described in this subsection 4.

Price Reconstitution

5(1) The **ISO** must not reconstitute the **pool price** to the level it would have reached without any action taken in accordance with a **unit commitment directive**.

Cost Guarantee

6(1) The **ISO** must pay a **pool participant** for an **eligible long lead time asset** the prudent incremental costs incurred from operating an **eligible long lead time asset** up to but not greater than the **minimum stable generation** in compliance with a **unit commitment directive**, net of **pool price** revenue received by the **pool participant** during the **settlement intervals** in which the **eligible long lead time asset** responded to the **unit commitment directive**, subject to this subsection 6.

(2) The obligation of the **ISO** to pay the **pool participant** under subsection 6(1) is conditional upon the **pool participant** submitting to the **ISO**:

- (a) a written request for payment under subsection 6(1) in the form specified by the **ISO** which must include:
 - (i) the asset ID of the **eligible long lead time asset**;
 - (ii) the time the **unit commitment directive** was in effect; and
 - (iii) costs under subsection 6(1) being claimed by the **pool participant**;
- (b) the attestation referred to in subsection 6(3); and
- (c) any other information that the **ISO** reasonably requires to ensure that the **ISO** has a full and satisfactory understanding of the costs being claimed by the **pool participant**.

(3) A **pool participant** must, to be eligible for payment under this subsection 6, provide a completed attestation to the **ISO** from a corporate officer of the **pool participant** or, if the **pool participant** is not the **legal owner** of the **eligible long lead time asset**, from a corporate officer of the **legal owner** of the **eligible long lead time asset** that:

- (a) attests to the accuracy, prudence and completeness of the actual incremental costs incurred in response to the **unit commitment directive** and being claimed by the **pool participant**, consisting of:
 - (i) the actual costs of all variable charges under the **ISO tariff** applicable to the **eligible long lead time asset**, including any applicable **loss factor** charge or credit;
 - (ii) variable operational and maintenance charges;
 - (iii) fuel costs to start and run the **eligible long lead time asset**; and
 - (iv) **emissions costs**;

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and

(b) is in the form of attestation set out in Appendix 1.

(4) The **ISO** must pay any costs under subsection 6(1) being claimed by a **pool participant** within 60 business days of all of the conditions under subsection 6(2) being satisfied.

(5) A **pool participant** must request payment and submit the attestation required under subsection 6(2) no later than two years following the day on which the **unit commitment directive** was issued.

Incremental Cost Recovery

7(1) The **ISO** must recover all costs paid to a **pool participant** under subsection 6(1) for an **eligible long lead time asset** through a pro rata **ISO fee** charged to every **pool participant** with energy consumption and production during any **settlement interval** in which the **unit commitment directive** was issued, in accordance with section 21 of the **Act**.

Applicability of Other ISO Rules

8(1) Subsections 5 and 13 of Section 103.4 of the **ISO rules**, *Power Pool Financial Settlement*, do not apply to an **eligible long lead time asset** that is responding to a **unit commitment directive** under this Section 206.2.

(2) Subsections 5, 6, 7 and 8 of Section 202.4 of the **ISO rules**, *Managing Long Lead Time Assets*, do not apply to an **eligible long lead time asset** that is responding to a **unit commitment directive** under this Section 206.2.

(3) Subsections 3, 5(1), 6, and 8(2) of Section 204.2 of the **ISO rules**, *Issuing Dispatches for Dispatch Down Service*, do not apply to an **eligible long lead time asset** that is responding to a **unit commitment directive** under this Section 206.2.

Effective Date and Expiry

9(1) This Section 206.2 is effective July 1, 2024, except for subsection 2 of this Section 206.2 which is effective June 21, 2024.

(2) This Section 206.2 expires on November 30, 2027.

Appendices

Appendix 1 – Costs Attestation Form

Revision History

Date	Description
2024-XX-XX	Initial release.

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Appendix 1 – Costs Attestation Form

STATUTORY DECLARATION IN THE MATTER OF the prudent, incremental costs incurred while responding to a **unit commitment directive** pursuant to the *Supply Cushion Regulation*, Alberta Regulation 42/2024 and Section 206.2 of the ISO rules, between the Independent System Operator (“ISO”) and [insert name of Pool Participant or Legal Owner], dated [insert date].

Bolded terms not defined herein have the meaning ascribed thereto in the ISO’s Consolidated Authoritative Document Glossary.

I, [insert name of declarant] DO SOLEMNLY DECLARE, on behalf of [insert name of Pool Participant or Legal Owner], without personal liability, the following information:

1. I am the / an [insert office held, e.g. president, director, etc.] of [insert name of Pool Participant or Legal Owner] and have knowledge of the matters herein described.
2. The [insert name of Pool Participant or Legal Owner] responded to a **unit commitment directive** from the ISO beginning at [insert time and date of start of unit commitment directive] and ending at [insert time and date of end of unit commitment directive].
3. To the best of my knowledge and information, after having made due enquiry, Table 1 contains the complete, accurate, and prudent incremental costs incurred by [insert name of Pool Participant or Legal Owner] from operating [insert name of eligible long lead time asset] [insert asset ID], an **eligible long lead time asset**, up to but not greater than the **minimum stable generation** in response to the **unit commitment directive** referenced in section 2, above.

Table 1

Incremental Costs Incurred in Response to a Unit Commitment Directive

Description of Cost	Dollar Amount of Cost
Actual costs of all variable charges under the ISO tariff applicable to the eligible long lead time asset , including any applicable loss factor charge or credit	[insert amount of cost]
Variable operational and maintenance charges	[insert amount of cost]
Fuel costs to start and run the eligible long lead time asset	[insert amount of cost]
Emissions costs	[insert amount of cost]
Incremental costs (sum of above four rows)	[insert amount of cost]

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AND I MAKE THIS SOLEMN DECLARATION conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

Name of declarant [insert name of declarant]	Declared before me at [insert name of City, Town, Region, etc.] in the Province of [insert name of Province] this day of , 20
Signature of declarant	Name of [insert "Commissioner of Oaths", "Notary Public", etc., as applicable] [insert name of Commissioner, Notary, etc.]
Note: Statutory declarations must be solemnly declared and signed before commissioners of oaths or similar officials (e.g., notary public).	Signature of [insert "Commissioner of Oaths", "Notary Public", etc., as applicable]