



**April 30, 2004 Stakeholder
Comments on the
Information Disclosure Procedures**

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Question 1	<u>Should certain participants be exempt from the IDP? For example, should the capacity threshold be set at 40 MW or some other amount?</u>
EPCOR	<p>The Report suggests that IDP would apply to all market participants whose generating, load and transmission assets have an installed capacity over a threshold amount. EPCOR agrees that it would be necessary and appropriate for each of these classes of participants to ultimately be obligated to report outage information relating to their respective physical assets under the IDP framework, given the relevance of such information to current and forward market conditions. The reporting framework will also need to encompass co-generating units that have the ability to significantly affect their net exports to the grid through declared outages at on-site load facilities.</p> <p>However, EPCOR believes the initial focus of the IDP should be on generating unit outage information. In this regard, EPCOR notes that the provisions of the current AESO Operating Policies and Procedures (“OPPs”) establish a threshold of 40 MW for generators with respect to the outage coordination process. However, it is important to note that the focus of the TDP/IDP initiative on the forward market impact of outages is somewhat different than the principal focus of the OPPs (which is system reliability/security considerations). The MSA will appreciate that, depending on prevailing supply and demand conditions, outages at units with capacity less than 40 MW can impact markets. This fact suggests that consideration should be given to a lower generating capacity threshold for IDP reporting purposes than the OPP threshold. EPCOR suggests that a capacity threshold of 20 MW, including aggregated generating capacity for any participant, would be appropriate for generators in this respect.</p>
Powerex	40MW is an appropriate threshold.
TransAlta	Any generating, load, intertie or transmission asset can set the pool price in any hour and therefore have a material effect on pool price. Accordingly, all participants should have to report. Any threshold may create an unfair advantage to parties that control such smaller capacity amounts - this is especially true where a participant has a portfolio of several smaller capacity assets that can be operated as a single asset.
ANC/MW	ANC/MW submits that the point at which a generation/load outage becomes significant to the forward market is greater than 65 MW.

Stakeholder	Stakeholder Response
Constellation Energy	Constellation believes that any party that can influence the market should be obligated to provide information on expected outages including known and/or planned changes to transmission & tie line availability, import / export outages and any expectation of congestion in Alberta (including AESO's plans for say TMR). The MSA and/or AESO should compile this information and post it to a single location that is readily accessible to all participants.
Question 2 EPCOR Powerex TransAlta	<p data-bbox="405 418 1955 488"><u>What other parties, if any, should be covered by the IDP? For example, should inter-tie capacity, transmission facility owners, and importers and exporters be covered by the guideline?</u></p> <p data-bbox="405 529 1990 667">As discussed above, while the IDP should initially focus on generating unit outage information, it should ultimately apply in respect of all physical assets that comprise part of or are interconnected with the Alberta system and whose operating status can affect energy markets. This would include generation, load and transmission assets as per Question 1 above, as well as interties with neighbouring jurisdictions.</p> <p data-bbox="405 711 1965 776">Inter-tie capacity and dispatchable load should be included. If transmission capacity is readily known, market participants can make their own assessment of import or export availability given publicly known prices in neighbouring markets.</p> <p data-bbox="405 820 1976 922">All market participants should be included in the IDP in the event it is implemented. This includes parties such as the Balancing Pool and the AESO themselves to the extent that they engage in sales or purchases in the Alberta market. Some generation indication and load from the tie lines should also be included in the IDP</p>
Question 3 EPCOR Powerex	<p data-bbox="405 971 1745 1003"><u>What entity should be responsible for submission of information, e.g. asset owner, affiliates or agents?</u></p> <p data-bbox="405 1044 1990 1219">Generally, the obligation to report outage information should reside with the operator of the asset. However, with respect to generating units subject to PPAs, EPCOR notes that certain reporting protocols and procedures have been developed whereby PPA Buyers receive unit outage information from PPA Owners and communicate it to the AESO in accordance with the OPPS. These arrangements should be respected and continued under the IDP framework such that the outage reporting obligations for PPA units reside with PPA Buyers.</p> <p data-bbox="405 1263 1990 1365">For generation and dispatchable load, the entity that supplies the bids for the asset should be the entity that is responsible for the submission of outage information. That entity may delegate the job to the asset owner or others but ultimately the bidder is responsible.</p>

Stakeholder	Stakeholder Response
TransAlta	<p>For interties, both neighbouring control areas already have established protocols that follow OASIS standards for posting availability of transmission capacity. The AESO should continue to work cooperatively with the neighbouring control areas to improve planned transmission outage coordination and to establish procedures for timely and accurate disclosure of forced outage information. In many cases in the past, transmission providers have been reluctant to disclose forced outage information to the market. It would be far better for the market if transmission providers were to provide accurate, timely and detailed information about forced outages to the market so that there is no perception of an imbalance of information between participants.</p> <p>The party with dispatch of the asset or their designate. Shifting that reporting burden to the PPA Owners creates not only additional administrative costs but also additional liability for Owners that would be in effect an amendment to the PPA.</p>
<p>Question 4</p> <p>EPCOR</p> <p>Powerex</p> <p>TransAlta</p>	<p><u>What outage related information should be submitted to the MSA?</u></p> <p>The Report proposes that outage information to be disclosed would include the following: unit name, start date/start time, end date/end time, impact on generating capacity or load consumption, type of outage (planned, maintenance, forced, or sudden forced), reason for outage and detailed reason for change in outage timing.</p> <p>Communication of outage start times, expected end times, the type of outage, and capacity impacts should be sufficient to satisfy the intent and objectives of the TPG/IDP. Imposing additional requirements to disclose specific reasons for outages, such as the specific nature of the problem or event that triggered the outage, as well as “detailed reason(s)” for changes in outage timing is unnecessary and would not provide any additional value in this respect. EPCOR also questions whether requiring disclosure of that additional level of detail is even appropriate having regard for the potential commercial sensitivity of certain information.</p> <p>The Disclosure Requirements outlined in Section 3.3.1 should be sufficient.</p> <p>None, in the event outage information reporting is required by the TPG it should continue to go to the AESO.</p>

Stakeholder	Stakeholder Response
<p data-bbox="86 228 394 267">Question 5</p> <p data-bbox="86 300 394 341">EPCOR</p> <p data-bbox="86 446 394 487">Powerex</p> <p data-bbox="86 738 394 779">TransAlta</p>	<p data-bbox="394 228 2013 267"><u><i>What is the appropriate time frame for submitting outage information?</i></u></p> <p data-bbox="394 300 2013 414">With respect to unexpected or forced outages, a reasonable period of time must be provided for parties to undertake an assessment of the circumstances of the outage before being required to provide an estimate of the expected outage duration. The timeframes defined by the OPPs in this respect would be appropriate for the IDP</p> <p data-bbox="394 446 2013 706">To be of any use for the intended purpose, outage information has to be submitted, aggregated and made available for market participants to digest prior to any trades being conducted around the outage. This could be a challenge. For example, a participant that suddenly learns that their unit will be taken off line tomorrow for an urgent repair may want to replace the energy with a forward trade almost immediately. The policy should not restrict a participant from doing this. For the policy to work then, it would seem that the outage report would have to be dynamic rather than daily. For this to work, the outage reporting system should probably be web based and automated to update the public reports within seconds of changes being submitted.</p> <p data-bbox="394 738 2013 852">Outage timing is inherently uncertain and that uncertainty increases the greater you look in the future. Posting outage information six months or a year in advance will give market participants the false perception of future supply/demand certainty and thereby create more conflict. A maximum reasonable time frame would be 90 days.</p>

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<p>Question 6</p> <p>EPCOR</p> <p>Powerex</p> <p>TransAlta</p>	<p><u>What is the reasonable level of obligation concerning the accuracy of outage information?</u></p> <p>The obligation should be that outage information reflect and be based on information available to parties at the time of reporting, and that updates are provided as soon as reasonably practical.</p> <p>The IDP must also recognize that the outage information to be reported by PPA Buyers will be prepared by and received from PPA Owners. PPA Buyers should be responsible and accountable only for reporting within the timeframes set out under the IDP the outage information that is received from PPA Owners.</p> <p>Inaccurate outage information may be more harmful than no outage information at all. Outage information submitted to the AESO should be as accurate as the outage information that is available to the traders who bid that unit into the market, otherwise the trader would still benefit from inside information.</p> <p>The existing standards in OPP 601 are appropriate. A gross negligence or willful misconduct standard would be the appropriate for outage scheduling which is by its very nature uncertain.</p>
<p>Question 7</p> <p>EPCOR</p> <p>Powerex</p> <p>TransAlta</p>	<p><u>What are reasonable alternatives concerning ways to improve the quality and certainty of outage information?</u></p> <p>As discussed in the preceding point, the uncertainties inherent in any estimate of the duration of an outage must be recognized in this initiative. The initiative should not seek to impose any requirements potentially affecting the manner in which actual maintenance work is scheduled or undertaken. Such work is already subject to a range of safety, environmental and industry regulations, guidelines, and practices.</p> <p>See answers to 5 and 6.</p> <p>The quality of outage information has already been improved as a result of the focus being placed on outage reporting and the MSA's (and other participant's) somewhat after-the-fact discovery of the AESO's OPP601.</p>

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<p data-bbox="92 233 243 264">Question 8</p> <p data-bbox="92 342 212 373">EPCOR</p> <p data-bbox="92 672 216 703">Powerex</p> <p data-bbox="92 743 239 774">TransAlta</p>	<p data-bbox="401 233 1969 302"><u><i>What level of information publication would balance the rights and needs of individual asset owners and the rights and needs of the market at large with respect to the furtherance of a fair, efficient and openly competitive forward market?</i></u></p> <p data-bbox="401 342 1955 630">EPCOR appreciates the MSA’s effort to strive for balance in this respect, and particularly to pursue measures that protect confidential information the disclosure of which could prejudice or disadvantage participants in the market. The outage report formats issued on a trial basis by the MSA between April 5 and April 16 that aggregate outage information by fuel type and used a generic capacity for coal units; appear reasonable and helpful in this respect. For the reasons discussed in the response to Question 4 above, EPCOR does not believe it is necessary or – more importantly - appropriate to require reporting of the nature of any outages or the detailed reasons for any revisions to an outage schedule. Requiring the disclosure of such information would be inconsistent with the balance the MSA seeks to achieve through this initiative.</p> <p data-bbox="401 672 1157 703">The level being provided in the interim IDP is appropriate.</p> <p data-bbox="401 743 1976 850">No information should be required to be published in the absence of market power. At a maximum, outage information should be published only in graphical aggregate form (as is currently done by the AESO) rather than by fuel type, and load information should also be included in the aggregation.</p>
<p data-bbox="92 894 243 925">Question 9</p> <p data-bbox="92 966 212 997">EPCOR</p> <p data-bbox="92 1075 216 1105">Powerex</p> <p data-bbox="92 1146 239 1177">TransAlta</p>	<p data-bbox="401 894 1377 925"><u><i>What are the appropriate time periods for publishing outage information?</i></u></p> <p data-bbox="401 966 1885 1034">The timeframes reflected in the MSA trial outage reports for both short-term outages and monthly outages would be appropriate and relevant for the IDP framework.</p> <p data-bbox="401 1075 701 1105">See answer to 5 above.</p> <p data-bbox="401 1146 1283 1177">Current time periods required by the AESO OPP601 are appropriate.</p>

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<p>Question 10</p> <p>EPCOR</p> <p>Powerex</p> <p>TransAlta</p>	<p><u>What performance indicators should be used by the MSA?</u></p> <p>The Report identifies various metrics – such as the number of participants in forward markets and the volume of transactions – that the MSA intends to monitor for the purpose of assessing the performance of the TPG. EPCOR considers those metrics to be reasonable and relevant for such purpose. However, the potential influence of factors other than the TPG on these measures must be fully and properly considered and reflected in any effort to isolate the potential impacts and effectiveness of the TPG</p> <p>If the overall objective is to increase liquidity in the forward market, the two things that should be measured are volume of trades and bid-ask spreads.</p> <p>Fair, efficient and openly competitive. Liquidity has already been stated by the MSA to be their indicator and the justification for the TPG and IDP, but the term “liquidity” needs to be much better defined and the methodology for determining it needs to be transparent, precise and pre-determined.</p>
<p>Question 11</p> <p>EPCOR</p> <p>Powerex</p> <p>TransAlta</p>	<p><u>In the long-term, what is the appropriate entity for publishing outage information, e.g. AESO, MSA or other agency?</u></p> <p>Insofar as the IDP is and should be incorporating outage information reported to the AESO through the IPPs, the AESO should be the entity responsible for publishing outage information associated with the IDP initiative. The format for the information should be consistent with the aggregated format developed by the MSA through this process.</p> <p>Whichever entity can best get an automated system up and running reliably in the shortest time and continue to monitor the accuracy of the data.</p> <p>As previously stated the current practice of the AESO reporting is the appropriate approach for a variety of reasons.</p>

Stakeholder	Stakeholder Response
<p data-bbox="86 233 394 272">Question 12</p> <p data-bbox="86 380 394 418">EPCOR</p> <p data-bbox="86 639 394 678">Powerex</p> <p data-bbox="86 899 394 938">TransAlta</p>	<p data-bbox="401 233 2011 341"><u>Suggestions for coordination of the outage information requirement for System Control, AESO Outage Coordination and the MSA? What is the point at which information about should be submitted? For example, at what point is a bona fide decision made with respect to scheduling an outage?</u></p> <p data-bbox="401 380 2011 597">EPCOR does not believe that the TPG/IDP initiative requires or warrants any changes to the outage coordination process currently defined under the OPPs as between market participants, the System Controller and the AESO. The focus of that process, as discussed in the OPPs, is ensuring that the requirements for system security are achieved through an outage coordination process that is driven primarily by market forces. This must not be fundamentally altered by the TPG/IDP. The IDP initiative should incorporate the information that is reported through the various processes and procedures set out under the OPPs.</p> <p data-bbox="401 639 2011 857">A company should submit outage information to the AESO at the same time that the trader responsible for the asset is made aware of the outage plan. The overall objective is that the rest of the market knows as much about aggregate unit availability as the traders who bid those units into the market or trade around them. So if the trader receives an outage plan x months in advance, that plan should be made available to the MSA at the same time. This does not require every company to adhere to one outage planning horizon, but it does rely on the honor system for companies to submit outage information simultaneously to the AESO and to their own traders.</p> <p data-bbox="401 899 2011 1036">The AESO should do all reporting and the MSA should monitor and respond to complaints. The MSA states in its “FAQs” that “information about an outage schedule should be submitted once a decision has been made concerning when the asset will be taken off-line or when it will be returned to service. Further discussion is required on this point as it highlights the uncertainty inherent in outage scheduling and reporting.</p>
<p data-bbox="86 1073 394 1112">Question 13</p> <p data-bbox="86 1154 394 1193">EPCOR</p> <p data-bbox="86 1365 394 1404">Powerex</p>	<p data-bbox="401 1073 2011 1112"><u>Should market participants designate a Compliance Officer and file compliance plans with the MSA?</u></p> <p data-bbox="401 1154 2011 1291">EPCOR respectfully submits that requiring compliance officers and compliance plans in respect of the TPG/IDP would be unnecessary and would needlessly increase the administrative costs and requirements for participants. Compliance with the TPG/IDP – as with the various other guidelines and market rules – can and should be monitored and enforced through the MSA’s regular practices and procedures. As such, there should be no requirement for a compliance officer or plans.</p> <p data-bbox="401 1365 2011 1404">Market participants that are active outside Alberta will likely have a Compliance Officer and/or a compliance plan in</p>

Stakeholder	Stakeholder Response
TransAlta	<p>accordance with Standard of Conduct requirements imposed by the FERC or the Electric Power Supplier's Association. Moreover, many companies will have established such programs pursuant to Canadian and U.S. competition law requirements. If the MSA believes that such plans are desirable, Powerex submits that the MSA should require market participants to file copies of their existing plans, and should remain flexible as to their precise form. For the MSA to establish its own form of Compliance requirements would be unduly onerous, particularly if the compliance requirements imposed do not conform to the requirements already established in other jurisdictions. To impose an additional layer of compliance requirements on market participants would be duplicative and unnecessary. Only where an existing plan is demonstrably inadequate to serve the objectives established by the MSA should the MSA require a compliance plan expressly tailored to the Alberta market.</p> <p>No, this creates an additional unnecessary administrative burden on top OPP601 and those created by the TPG and IDP.</p>
AltaGas	<p><u>Other Issues – Liquidity</u></p> <p>AltaGas has found that the MSA's information disclosure requirements have provided greater visibility of outages to us and, presumably, to the entire electricity market. We have seen that this has resulted in greater liquidity in the ancillary services market.</p> <p>While the limited data to this point shows there may have been an increase in liquidity in the short term forward market, there has been no such change in the liquidity we are seeing over the longer term. AltaGas is not convinced that there has been an increase in liquidity in the short-term forward market</p>
TransCanada	<p>TransCanada's observations during the month of April suggest that it is inconclusive whether there has been increased liquidity in the Alberta market. Overall, it does not appear that the outage information has encouraged any new participants into the Alberta market in the short term. TransCanada understands, however, that increased liquidity may be a long term objective and looks forward to working with the MSA to ensure a robust market.</p>
UBS	<p>UBS has found that with the increased information disclosure, there has been a dramatic improvement in wholesale market liquidity</p>
Constellation Energy	<p>We are confident that this information has been helpful in increasing confidence in the forward market and has encouraged customers to resume transacting in the forward market.</p>

Stakeholder	Stakeholder Response
AltaGas	<p data-bbox="405 233 999 264"><u>Other Issues - IDP Symmetry of Information</u></p> <p data-bbox="405 306 1986 483">While the IDP has resulted in greater symmetry of information, it has provided some parties with an asymmetrical ability to use that information to the detriment of the market. The IDP has had the result of permitting those parties who previously had visibility of a large part of the market now having visibility of all the market. This gives those parties the ability to engage in practices based on full knowledge of all outages, where before they only had visibility of a significant portion of the market.</p>
ANC/MW	<p data-bbox="405 563 947 594"><u>Other Issues - Load Participation in IDP</u></p> <p data-bbox="405 636 1495 737">To the extent that consumers are not needlessly burdened with additional reporting practices, ANC/MW believe that loads can participate, meaningfully, in the proposed IDP.</p> <p data-bbox="405 779 1940 850">ANC/MW are strongly of the opinion that the IDP needs to deal only with plant availability reporting and not with price responsive behavior.</p>
Constellation Energy	<p data-bbox="405 894 798 925"><u>Other Issues - Report Format</u></p> <p data-bbox="405 967 1976 1110">Constellation feels that the use of a 320 MW proxy block size to represent outages of any coal-fired capacity is potentially misleading to participants given that there are several smaller coal fired stations in the system. This distortion causes the market to become suspicious of the data and the potential impacts which ultimately serves to undermine market confidence and impedes participants' propensity to trade in the forward markets.</p> <p data-bbox="405 1149 1961 1250">Constellation suggests that the planned outages be aggregated by fuel and plant type (hydro, coal fired steam, gas-fired steam, gas-fired combined cycle, gas-fired cogeneration, gas-fired simple cycle) shown graphically to the nearest 10 MW.</p>

Stakeholder	Stakeholder Response
<p>Coral Energy</p>	<p>A numerical presentation is better than charts when it comes to modelling accuracy. Coral recommends that the MSA publish the data in a spreadsheet format.</p> <p>To maintain confidentiality, a different categorizing system than generation by fuel types could be utilized to indicate outages to the marketplace. Coral agrees with assigning individual generation units a historical capacity factor. The methodology for calculating this capacity factor should be explicit and verifiable. As well, a separate data sheet could be utilized for load and inter-tie information.</p> <p>It would be helpful to provide a quality of data indicator in the report. Coral suggests a report that indicates the number of parties to submit outage schedules versus the total number required to submit a schedule by month. Coral’s final suggestion would be to provide an actual versus planned indicator within the month. This indicator would help market participants audit the published values versus actual outages.</p>
<p>TransCanada</p>	<p>“Large” coal should continue to be displayed at a generic 320MW and “small” coal (HR Milner, WAB1&2) should be placed in the “Other” category.</p> <p>Timing of report release should be provided by 8 am in order to be used for the trading day. Manipulation of information disclosure around this deadline can be dealt with on a real time basis</p> <p>Schedules of availability for all new generation should be provided to the market. This information is relevant as outage information on forward market liquidity.</p>
<p>Nexen</p>	<p><u>Other Issues – Coordination with other initiatives</u></p> <p>Nexen supports the MSA’s direction on the issue of information asymmetry, but would caution in taking anything but a holistic approach with all parties affected by proposed changes to the design of the market. It should be addressed as part of an overall holistic market design initiative such as the Department of Energy’s Wholesale Market Policy Task Force being jointly led by the DOE and the AESO.</p>

Stakeholder	Stakeholder Response
TransAlta	<p data-bbox="405 290 1999 362"><u>Other Issues - What constitutes an “operational strategy” - does it include declining dispatch, withholding transmission, load curtailment, physical or financial withholding of generation, etc.? If not, why not?</u></p> <p data-bbox="405 402 1999 467">Operational strategy should include any action in the market and the MSA should indicate how it plans to handle such strategies.</p>