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Greg Andrews  
Markets Division  
Alberta Utilities Commission (AUC)  
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**Re: Consultation on AUC Rule 019: *Specified Penalties for Contravention of ISO rules***

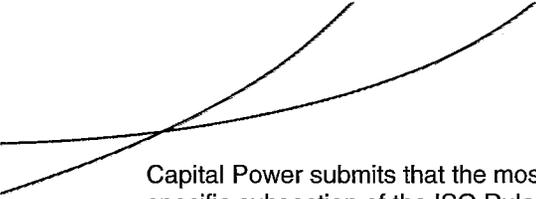
Dear Mr. Andrews,

Capital Power Corporation appreciates the opportunity to provide comments regarding the Alberta Utilities Commission's ("AUC" or "Commission") proposed amendments to AUC Rule 019: *Specified Penalties for Contravention of ISO Rules* ("AUC Rule 019") as set out in AUC Bulletin 2014-13 dated October 1, 2014. While the difficulty of assigning penalty to contravention of rules that are in separate categories is acknowledged, Capital Power believes that the proposed move of the identified rules from Category 2 to Category 3 is not an effective solution.

Capital Power submits that ISO Rules 3.6.2: 'Ancillary Service Provider Declaration' (3.6.2), 3.6.3: 'Restatements' (3.6.3) and 203.3 'Energy Restatements' (203.3) should remain within Category 2 of the penalty table as there are more similarities among these and the remaining rules in Category 2 than with the ISO Rules found in Category 3.

The distinction between the three penalty categories is unclear as there are no guidelines provided in AUC Rule 019 itself. As a result, the applicable rules do not readily fall into discrete categories. The rules contained in Category 2, including ISO Rules 203.3, 3.6.2 and 3.6.3 largely deal with market participant information statements or changes to statements, while those in Category 3 deal more specifically with the delivery of a product or service. Rule 203.6 exists primarily to govern the delivery of energy through the provincial interconnections and is similar in nature with ISO Rule 203.4 that governs the delivery requirements for energy, both belonging in Category 3.

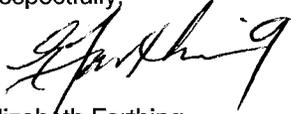
The AUC observes an apparent overlap between ISO Rules 203.3 and 203.6 in that both contain a subsection dealing with the requirement to restate available capacity. In 203.6, subsection 5 requires statements and restatements of available capacity related to interchange transactions whereas 203.3 specifies the requirements when restating the available capacity information of a pool participant, which not only includes intertie transactions but also megawatts, minimum stable generation and price restatements for energy. This subsection appears to be the focal point of the raised concern.



Capital Power submits that the most effective solution to the problem the AUC is facing may be to cite the specific subsection of the ISO Rule in the appropriate category, in this case subsection 5 of ISO Rule 203.6, much like it does with AUC Rule 27—*Specified Penalties for Contravention of Reliability Standards* rather than moving the rule in its entirety. In addition, Capital Power suggests that a review of the categories to clarify the distinction between them may be helpful.

Thank you for the providing Capital Power with the opportunity to comment on these proposed amendments.

Respectfully,



Elizabeth Farthing

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