



Market Share Offer Control 2011

June 24, 2011

The Market Surveillance Administrator is an independent enforcement agency that protects and promotes the fair, efficient and openly competitive operation of Alberta's wholesale electricity markets and its retail electricity and natural gas markets. The MSA also works to ensure that market participants comply with the Alberta Reliability Standards and the Independent System Operator's rules.

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1 Introduction

Section 5 of the Fair, Efficient and Open Competition Regulation (the FEOC Regulation) requires that the MSA publish certain metrics that reflect the percentage of offer control held by market participants, at least annually. In September 2009 the MSA published a Market Share Offer Control Process,¹ which included information on how the MSA would collect data and what information would be published. The process document also set the timing of the annual assessment to be between April and June of each year.

2 Assessment of Market Share Offer Control 2011

In accordance with the process the MSA posted a notice on its website in early May 2011 requesting any market participants with offer control greater than 5% on April 21, 2011 to provide information by May 20, 2011.² Six market participants responded to the information request. The offer control of each is shown in the Table below.

Table 2.1: Market Share Offer Control (April 21, 2011)

	Offer Control (MW)	Offer Control (%)
ATCO	1392	10.6
Balancing Pool	743	5.7
Capital Power	1390	10.6
ENMAX	1826	13.9
TransAlta	2088	15.9
TransCanada	2496	19.0
Other	2011	15.3
(Not required to offer to Pool)	1169	8.9
Total	13114	100

As per the MSA's process further details are provided in the Appendix: a list of selected associates of a market participant and the individual assets under a market participant's control. The definition of 'market participant' in Section 5 of the *FEOC Regulation* is broader than that in the *Electric Utilities Act* and some entities have a large number of associates. For this reason the list of associates for a market participant should not be considered as complete, rather it is meant to be indicative of an entity's associations with the Power Pool. The MSA also notes that in some cases associates do not individually hold 'ultimate offer control' over any assets.

The MSA's method of calculating *Market Share Offer Control* was detailed in the MSA's September 2009 "Market Share Offer Control Process." According to that process where more than one market participant has offer control of an asset the offer control of minimum stable generation is shared based on the proportion of dispatchable generation controlled. A participant's total offer control is measured as the ratio of megawatts under its control to the total megawatts of generation in Alberta, as per Section 5(2) of *FEOC Regulation*.

¹ Market Share Offer Control Process, September 24, 2009.

² Information Request Market Share Offer Control, May 4, 2011

The offer control listed in the table above includes offer control at Keephills 3 (KH3). At the time of the assessment (April 21, 2011) the unit was not commissioned but did have a maximum capability of 450MW declared and consequently was included in the assessment. The table above also includes the offer control associated with Sundance 1 and 2 (SD1, SD2). The PPA owner for these units has issued a notice of a *force majeure* and a notice of termination for destruction under the terms of the PPA. During Q1/11, the PPA buyer for these units provided notice that it intended to dispute both notices. At the time of the assessment these units had maximum capability values declared and are consequently included in the offer control assessment.

In a few cases, market participants submitted maximum capability (MC) values for assets different from those contained in the list attached to the MSA's May 4, 2011 notice. The MSA advised participants that for purposes of the assessment the MC value should be consistent with that declared to the AESO on April 21, 2011 (the date of the assessment) since this is also equal to the total offers made on that day. If the MC of the unit changes or the values declared to the AESO are in error, the change should be made to the value submitted to the AESO and would be reflected in future MSA offer control reports. Submissions made to the MSA on offer control would not result in a change in MC. Values in the table above are based on the offer control submissions of participants but use MC values declared to the AESO.

3 2010 – 2011 Offer Control Comparison

Over the past year total Maximum Capability (MC) increased from 12488 MW to 13114 MW, a change of 5.01 percent (626MW). The major changes to MC from the previous year are the addition of 450MW at Keephills 3 (KH3), 66MW at Ardenville Wind (ARD1) and 82MW at Ghost Pine (NEP1). Stakeholders interested in a complete list of changes from 2010 to 2011 can compare the lists attached to the MSA information requests for offer control data in each year.

The percentage change in offer control for each participant is summarized by the table below.

Table 3.1: Year to Year Comparison

	Offer Control (%) 2010 [A]	Offer Control (%) 2011 [B]	Difference (%) [C]=[B]-[A]
ATCO	11.1	10.6	-0.5
Balancing Pool	6.0	5.7	-0.3
Capital Power	9.3	10.6	1.3
ENMAX	14.6	13.9	-0.7
TransAlta	14.9	15.9	1.0
TransCanada	20.0	19.0	-1.0
Other	15.9	15.3	-0.6
(Not required to offer to Pool)	8.1	8.9	0.8

4 Future Updates

The next annual assessment is planned for the period between April and June 2012. Market participants are reminded that should offer control change mid-year they may be required to submit updated information. For further details see Section 3 of the *Market Share Offer Control Process*.³ Participants submitting information mid-year should use the excel spreadsheet attached to the May 4, 2011 notice.⁴ The MSA is not intending to conduct any formal review of the *Market Share Offer Control Process* at this time. The AESO continues to evaluate options to track market participant offer control (based on the requirements in Section 6(2)(a) of the Regulation). The primary option under consideration would not remove the need for MSA information requests on offer control.⁵

³ Market Share Offer Control Process, September 24, 2009.

⁴ Information Request Market Share Offer Control, May 4, 2011

⁵ Merit Order Offer Control Reporting, November 24, 2010

Appendix A: Detailed Offer Control

Table A.1: ATCO

	Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)
ATCO	ATCO Power
	ATCO Electric
Asset Short Name	Offer Control (MW)
Assets with sole offer control	
PR1	95
APS1	195
PH1	48
MKR1	202
RB5	50
RL1	47
RB1	30
RB2	40
RB3	20
ST1	8
ST2	8
JOF1	474
VVW1	50
VVW2	50
OMRH	32
Assets with multiple offer control	
BR3	3
BR4	13
BR5	27
TOTAL	1392 MW (10.6%)

Table A.2: Balancing Pool

	Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)
Balancing Pool	Balancing Pool
Asset Short Name	Offer Control (MW)
Assets with multiple offer control	
GN1	372
GN2	372
TOTAL	743 MW (5.7%)

Table A.3: Capital Power

	Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)
Capital Power	Capital Power Corporation Capital Power PPA Management Inc. Capital Power (Alberta) Limited Partnership Capital Power (G3) Limited Partnership CP Energy Marketing L.P. Capital Power L.P. Capital Power (K3) Limited Partnership
Asset Short Name	Offer Control (MW)
Assets with sole offer control	
ENC1	48
ENC2	101
ENC3	101
Assets with multiple offer control	
SD5	322
SD6	331
GN1	18
GN2	18
GN3	225
KH3	225
TOTAL	1390 MW (10.6%)

Table A.4: ENMAX

ENMAX	Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)
Asset Short Name	Offer Control (MW)
Assets with sole offer control	
CAL1	300
CRS1	40
CRS2	40
CRS3	40
Assets with multiple offer control	
KH1	376
KH2	376
BR3	149
BR4	143
BR5	362
TOTAL	1826 MW (13.9%)

Table A.5: TransAlta

TransAlta	Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)
Asset Short Name	Offer Control (MW)
Assets with sole offer control	
BIG	120
BOW1	320
BRA	350
GPEC	27
SCR1	540
TAY1	14
Assets with multiple offer control	
GN3	225
KH1	14
KH2	14
KH3	225
SD4	84
SD5	84
SD6	70
TOTAL	2088 MW (15.9%)

Table A.6: TransCanada

	Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)
TransCanada	TransCanada Energy Ltd. ASTC Power Partnership Cancarb Limited
Asset Short Name	Offer Control (MW)
Assets with sole offer control	
BCRK	58
BCR2	36
MKRC	185
SD1	288
SD2	288
SD3	362
TC01	95
TC02	46
SH1	390
SH2	390
CCMH	36
Assets with multiple offer control	
SD4	322
TOTAL	2496 MW (19.0%)

References

Market Surveillance Administrator

Market Share Offer Control Process, September 24, 2009.

<http://albertamsa.ca/uploads/pdf/Archive/2009/Market%20Shares%20Process%20%20092409.pdf>

Information Request Market Share Offer Control, May 4, 2011

<http://albertamsa.ca/index.php?page=notice-information-request-market-share-offer-control>

Alberta Electric System Operator

Merit Order Offer Control Reporting, November 24, 2010

http://www.aeso.ca/downloads/Merit_Order_Offer_Control_Reporting_Recommendation_Paper_FINAL.pdf