

[www.albertaMSA.ca](http://www.albertaMSA.ca)



# MSA REPORT

## Market Share Offer Control 2010

---

28 June, 2010

**MARKET SURVEILLANCE**  
ADMINISTRATOR

## TABLE OF CONTENTS

	PAGE
<b>1 INTRODUCTION .....</b>	<b>1</b>
<b>2 ASSESSMENT OF MARKET SHARE OF OFFER CONTROL 2010 .....</b>	<b>1</b>
<b>3 FUTURE UPDATES .....</b>	<b>2</b>
<b>APPENDIX: DETAILED OFFER CONTROL .....</b>	<b>3</b>

## 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*,<sup>1</sup> 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 OF OFFER CONTROL 2010

In accordance with the process the MSA posted a notice on its website in early May 2010 requesting any market participants with offer control greater than 5% on April 23, 2010 to provide information by May 31, 2010.<sup>2</sup> Six market participants responded to the information request. The offer control of each is shown in the Table below.

**Table 1: Market Share Offer Control (April 23, 2010)**

	Offer Control (MW)	Offer Control (%)
ATCO	1392	11.1
Balancing Pool	743	6.0
Capital Power	1165	9.3
ENMAX	1826	14.6
TransAlta	1863	14.9
TransCanada	2496	20.0
Other	1988	15.9
(Not required to offer to Pool)	1016	8.1
<b>Total</b>	<b>12488</b>	<b>100.0</b>

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

<sup>1</sup> [http://www.albertamsa.ca/files/Market\\_Shares\\_Process\\_\\_092409\(4\).pdf](http://www.albertamsa.ca/files/Market_Shares_Process__092409(4).pdf)

<sup>2</sup> <http://www.albertamsa.ca/1129.html>

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*.

Some of the initial submissions from owners and buyers of Power Purchase Arrangements (PPA's) were contradictory. Arrangements between owners and buyers are to some extent specific to an individual PPA. In assigning 'ultimate control' to excess or increased capacity at a PPA, the MSA advised parties that a buyer should be considered to have 'ultimate control' if they could exercise the option to overrule an owner's desired offer (and presumably settle financially at the owners desired offer). If, on the other hand, the buyer passively passed an owner's desired offer to the Pool (e.g. by assigning one or more offer blocks to the owner) 'ultimate control' for those MW would reside with the owner. Following this advice the submissions received were consistent and the final submissions are reflected in the Table above.

### 3 FUTURE UPDATES

The next annual assessment is planned for the period between April and June 2011. 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*.<sup>3</sup> Participants submitting information mid-year should use the excel spreadsheet attached to the May 10, 2010 notice.<sup>4</sup>

The MSA is not intending to conduct any formal review of the *Market Share Offer Control Process* at this time. The AESO is currently evaluating options to track market participant offer control (based on the requirements in Section 6(2)(a) of the Regulation) which, once implemented, may remove the need for MSA information requests on offer control.<sup>5</sup> Any informal feedback on the process should be sent to Matt Ayres ([matt.ayres@albertamsa.ca](mailto:matt.ayres@albertamsa.ca), 403-705-3182).

---

<sup>3</sup> [http://www.albertamsa.ca/files/Market\\_Shares\\_Process\\_\\_092409\(4\).pdf](http://www.albertamsa.ca/files/Market_Shares_Process__092409(4).pdf)

<sup>4</sup> <http://www.albertamsa.ca/1129.html>

<sup>5</sup> See

[http://www.aeso.ca/downloads/Market\\_Services\\_Combined\\_Stakeholder\\_Presentation\\_May\\_26\\_2010.pdf](http://www.aeso.ca/downloads/Market_Services_Combined_Stakeholder_Presentation_May_26_2010.pdf)

**APPENDIX: DETAILED OFFER CONTROL**

	<b>Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)</b>
ATCO	ATCO Power ATCO Electric ATCO Power (J.V. with CNRL) ATCO Power (J.V. with Nova) ATCO Power (Poplar/Rainbow) ATCO Power Scotford Upgrader
<b>Asset Short Name</b>	<b>Offer Control (MW)</b>
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
OMRD	32
Assets with multiple offer control	
BR3	3
BR4	13
BR5	27
<b>TOTAL</b>	<b>1392 MW (11.1%)</b>

	<b>Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)</b>
Balancing Pool	Balancing Pool
<b>Asset Short Name</b>	<b>Offer Control (MW)</b>
Assets with multiple offer control	
GN1	372
GN2	372
<b>TOTAL</b>	<b>743 MW (6%)</b>

	<b>Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)</b>	
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.	
<b>Asset Short Name</b>	<b>Offer Control (MW)</b>	
Assets with sole offer control		
ENC1		48
ENC2		101
ENC3		101
Assets with multiple offer control		
SD5		322
SD6		331
GN 1		18
GN2		18
GN3		225
<b>TOTAL</b>	<b>1165 MW (9.3%)</b>	

	<b>Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)</b>	
ENMAX	ENMAX Energy Corporation ENMAX Energy Marketing Inc. ENMAX Green Power Inc. Calgary Energy Center No. 2 Inc. ENMAX PPA Management inc.	
<b>Asset Short Name</b>	<b>Offer Control (MW)</b>	
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
<b>TOTAL</b>	<b>1826 MW (14.6%)</b>	

	<b>Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)</b>	
TransAlta	TransAlta Generation Partnership Canadian Hydro Developers Inc. Canadian Gas and Electric Inc. TransAlta Energy Marketing Corp. TransAlta Corporation	
<b>Asset Short Name</b>	<b>Offer Control (MW)</b>	
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
SD4		84
SD5		84
SD6		70
<b>TOTAL</b>	<b>1863 MW (14.9%)</b>	

	<b>Market Participant (as defined in Section 5(1)(a) of the Fair, Efficient, Open Competition Regulation)</b>	
TransCanada	TransCanada Energy Ltd. ASTC Power Partnership Cancarb Limited	
<b>Asset Short Name</b>	<b>Offer Control (MW)</b>	
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
<b>TOTAL</b>	<b>2496 MW (20%)</b>	