

September 27, 2021

To: The Market Surveillance Administrator, market participants and other interested parties
("Stakeholders")

Re: **Alberta Electric System Operator Responses to Stakeholder Comments – Draft Proposed Amended Section 103.3 of the ISO Rules, *Financial Security Requirements* ("Section 103.3")**

On June 23, 2021, the Alberta Electric System Operator ("AESO") issued a Letter of Notice for the draft proposed amended Section 103.3 requesting Stakeholders comments on the proposed amendments.

AESO Responses to Stakeholder Comments

In accordance with Alberta Utilities Commission ("Commission") Rule 017, *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, the AESO is providing replies to Stakeholder comments. The AESO's responses to comments, including the AESO's rationale or basis for its position, and an explanation for why certain positions were rejected or accepted, are set out in the *Stakeholder Comment and AESO Response Matrix*.

The AESO made minor revisions to the proposed amended Section 103.3 in response to comments received, as noted in the attached *Stakeholder Comment and AESO Response Matrix*. In addition, the AESO made the following minor administrative amendments to proposed amended Section 103.3:

- a) Updated section references and made minor grammatical changes.
- b) Subsection 5(1)(b): updated the date to correspond to the effective date of the proposed amended Section 103.3, added clarity that the legacy long-term unsecured proxy credit ratings continues to have the unsecured credit limits that were applicable under the former Section 103.3 and that the AESO continues to have the right to revise or withdraw such legacy long-term unsecured proxy credit ratings in accordance with the former Section 103.3.
- c) Subsection 5(4) and 5(5): re-inserted the former Section 7(3) to provide clarity to market participants that the AESO only grants one unsecured credit limit if there are multiple companies who are affiliates of one another; and provided additional clarity that the unsecured credit limit may be allocated among the multiple companies in a manner determined by the AESO but which may not exceed the unsecured credit limit of the one company.
- d) Subsections 6(9) and 8(5): provided the AESO with discretion to extend the deadline for market participants to provide additional or replacement financial security.

These changes are duly reflected in the attached blackline.

Application for Approval of the Final Proposed Amended Section 103.3

The AESO expects to submit its application for the proposed amended Section 103.3 with the Commission in October 2021.

Related Materials

The following documents can be accessed on the Stakeholder Engagement page on the AESO website:

1. *Stakeholder Comments and AESO Response Matrix* on the proposed amended Section 103.3; and
2. Blackline and clean copies of the proposed amended Section 103.3.

If you have any questions, please submit them to rules_comments@aeso.ca.

Sincerely,

Jodi Marshall

Legal Manager, ISO Rules and Alberta Reliability Standards
Legal and Regulatory Affairs
rules_comments@aeso.ca