

July 22, 2022

To: The Market Surveillance Administrator, Market Participants and Other Interested Parties  
("Stakeholders")

Re: **Save the Date for September Stakeholder Consultation Sessions on Draft Proposed Amendments to ISO Rules and Definitions to Enable Energy Storage ("Energy Storage ISO Rule Amendments")**

The Alberta Electric System Operator ("AESO") is providing notice regarding the upcoming September Stakeholder sessions on the Energy Storage ISO Rule Amendments and seeking feedback from Stakeholders on the session format.

### Initial Stakeholder Feedback on Draft Energy Storage ISO Rule Amendments

On May 9<sup>th</sup>, 2022, the AESO issued a Letter of Notice inviting stakeholders to provide an initial round of feedback on the draft Energy Storage ISO Rule Amendments.

On June 10<sup>th</sup>, 2022, the AESO received written comments from Stakeholders in response to the May 9<sup>th</sup>, 2022 Letter of Notice. The AESO would like to thank all the Stakeholders who provided comments. The AESO reviewed the Stakeholder feedback and observed the following high-level themes:

1. **Technical Topics** – Stakeholders provided extensive comments and questions regarding the applicability, clarification, or implementation of the technical ISO rules (i.e., 500-series ISO rules) and technical definitions. For example, Stakeholders requested clarification on topics such as: why certain technical ISO rules and definitions single out battery energy storage resources; SCADA requirements for energy storage; the applicability of loss factors to energy storage; and WECC testing requirements.
2. **Aggregated Facility Definition** – Majority of Stakeholders were supportive of Option 1, but requested further information on: the applicability of the 9MW limit; including whether the proposed definition restricts aggregations over 9MW, the interactions with the definition of "allowable dispatch variance", what resources make up an aggregated facility and additional analysis to raise or remove the 9MW limit. Stakeholders also requested further clarity on the interim waivers and variance process for those facilities dealing with aggregations of resources greater than 9MW.
3. **Market and Settlement Topics** – Stakeholders provided comments seeking clarification regarding the market ISO rules and their implementation. For example, Stakeholders requested clarity on the eligibility of energy storage resources for Adjustment for Load on the Margin, implementation concerns on the proposed new Section 203.5 of the ISO rules, *Consumption Requirements for Energy*, and why long lead time assets with associated energy storage are excluded from receiving incremental payment if directed. Concerns were also raised in respect of the proposed definition of "allowable dispatch variance" and "acceptable operational reason".
4. **Fast Frequency Response** – Some Stakeholders raised concerns regarding the need for FFR and requested further consultation.
5. **Other Definitions / Terminology** – Stakeholders, among other things: recommended that the AESO create separate definitions to distinguish utility-owned energy storage resources from energy storage resources that participate in the electricity markets; requested clarity on the definition of "energy storage facility" in the ISO rules; identified inconsistencies in the use of

terminology, such as “produce” & “consume”; and suggested aligning definitions across the ISO rules, Alberta reliability standards, and the ISO tariff.

### September Stakeholder Sessions

Based on its review of the Stakeholder feedback, the AESO identified that topics #1 and #2 above require further discussion with Stakeholders, while other questions and comments can be more effectively addressed through written responses. The AESO would like to focus the September Stakeholder sessions on topics #1 and #2 but recognizes that additional follow-up discussions may be required on other areas of the feedback. Therefore, the AESO intends to:

- Post its written responses in advance of the September Stakeholder sessions for Stakeholders to review and consider;
- Host two focused Stakeholder sessions on September 13<sup>th</sup>, 2022 to engage with Stakeholders further on topics #1 and #2 above; and
- If necessary, host a third, open forum Q&A session on September 26<sup>th</sup>, 2022 to give Stakeholders an opportunity to ask questions and discuss other matters that may not have been covered in the two focused sessions.

Stakeholders can attend all the sessions or attend the specific sessions that are of interest to them.

### Request for Feedback on Session Format

The information for the September Stakeholder sessions is as follows:

#### **Session 1**

**Date:** September 13, 2022  
**Time:** 9:00 a.m. to 12:00 p.m.  
**Topic:** **Technical topics regarding the applicability or clarification of technical ISO rule amendments**

#### **Session 2**

**Date:** September 13, 2022  
**Time:** 1:00 p.m. to 4:00 p.m.  
**Topic:** **Aggregated facility definition**

#### **Session 3**

**Date:** September 26, 2022  
**Time:** 1:00 p.m. to 4:00 p.m.  
**Topic:** **Open forum Q&A**

The AESO has the option to host the September Stakeholder sessions virtually, in-person, or a hybrid of virtual/in-person. The AESO is providing a [link](#) to a survey for Stakeholders to indicate their preference for the format for each of the three sessions by **August 3, 2022**. Responses to the survey will inform the AESO’s decision on format.

Registration details will be provided at least three weeks prior to the Stakeholder session. Note that the above dates and times are tentative and may be adjusted based on the results of the survey.

Sincerely,

*Jackie Gow*

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