

By email to: rules_comments@aeso.ca

January 24, 2023

Jackie Gow
Legal Manager, ISO Rules and Alberta Reliability Standards
Calgary Place, 2500, 330 – 5 Avenue SW
Calgary, AB T2P 0L4

Dear Ms. Gow:

Re: Market Surveillance Administrator (MSA) Comments on Alberta Electric System Operator (AESO) Operating Reserves Market Review – Sealed Bid and Offer Transparency

The MSA submits this letter in response to a request from the AESO for the MSA's view on the AESO's recommendation on sealed bid and offer transparency in the Operating Reserves (OR) market.

The AESO's August 30, 2022 Session 3 presentation to stakeholders stated that the AESO had made the final decision to move to a sealed-bid format for OR and align OR offer disclosure with the energy offer disclosure stipulated by the *Fair, Efficient and Open Competition Regulation* by only publishing offer price, volume, and offer control party with a 60-day lag.¹ The AESO also provided the MSA with a January 11, 2023 report from Charles River Associates titled *Assessment of AESO Recommendations to Adopt a Sealed-Bid Auction for Operating Reserves (CRA Report)*.

The MSA previously submitted comments in this consultation after Session 1² and Session 2.³ After Session 1, the MSA indicated it supported the AESO's proposed offer transparency alternative, which included a move to sealed-bid and alignment of OR offer disclosure with energy offer disclosure. After Session 2, the MSA made further submissions regarding principles for the AESO to consider when coming to a decision on offer transparency.

¹ [Operating-Reserve-Market-Review-Session-3-Presentation.pdf \(aeso.ca\)](#), PDF pages 31 – 39

² [Stakeholder-Comment-Letter-OR-Session-1-Additional-Feedback.pdf \(aeso.ca\)](#), PDF pages 37 - 38

³ [Stakeholder-Comment-Letter-OR-Market-Review-Session-2-Additional-Feedback-2022-05-16.pdf \(aeso.ca\)](#), PDF pages 43 - 46

Based on the documents on the public stakeholder consultation record and the CRA Report, the MSA continues to support the AESO's recommendation to move to a sealed-bid format for OR and to only publish OR offer price, volume, and offer control party with a 60-day lag.

Sincerely,

Mark Nesbitt,
Director, Investigations

Cc: Derek Olmstead, CEO and Administrator