

March 24, 2021

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

**Re: Letter of Notice for Development of Proposed Amended Section 103.3 of the ISO rules,  
Financial Security Requirements ("Section 103.3")**

Pursuant to Alberta Utilities Commission Rule 017, *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission* ("AUC Rule 017"), the Alberta Electric System Operator ("AESO") is providing notice to and seeking feedback from Stakeholders on amendments to proposed amended Section 103.3.

### Issue

In response to Stakeholder feedback received over the last number of years and in support of the government of Alberta's Red Tape Reduction Initiative, the AESO is reviewing Section 103.3 to explore opportunities for reducing regulatory requirements and costs for Stakeholders.

### Purpose

The AESO is seeking feedback from Stakeholders regarding potential amendments to Section 103.3, including:

- the security requirements in general;
- unsecured credit limits and thresholds; and
- forms of security.

The regulatory requirements in Section 103.3 play an important role in mitigating the risk of financial loss and maintaining the integrity of the market. If a pool participant fails to pay their financial obligations, all pool participants bear that financial loss, which is recovered through a payment default charge allocated to all pool participants. When providing feedback, Stakeholders are asked to consider and comment on the impact any proposal will have on the risk of financial loss.

In addition to feedback on proposed amendments to Section 103.3, the AESO would like Stakeholders to submit estimates of any cost and time savings that may occur from the amendments proposed. The *Stakeholder Comment Matrix – Development of Proposed Amended Section 103.3* contains a section for these estimates. Please note, all comments and estimates submitted will be posted on the AESO website.

### Proposed Consultation and Timeline

The AESO is proposing Stakeholder consultation for the proposed amended Section 103.3 by way of a written process and an online Stakeholder session:

- March 24, 2021 – the AESO has posted an initial letter of notice seeking feedback from Stakeholder on their recommended amendments;
- April 15, 2021 – the AESO will provide approximately 3 weeks for Stakeholders to submit written comments and proposals regarding the proposed amended Section 103.3;
- April 2021 – the AESO will post all written comments from Stakeholders;
- May 2021 – the AESO will hold an online Stakeholder session;

- June 2021 – the AESO will provide the opportunity for Stakeholders to submit written comments following the Stakeholder session;
- September 2021 – the AESO will post the proposed draft amendments to the Section 103.3;
- September – October 2021 – the AESO will provide approximately 3 weeks for Stakeholders to submit written comments regarding the draft proposed amended Section 103.3;
- October 2021 – the AESO will post all written comments from Stakeholders and provide the AESO’s written responses to Stakeholder comments; and
- October 2021 – provided there are no outstanding Stakeholder concerns, the AESO will submit an application to the Alberta Utilities Commission for approval of the proposed amended Section 103.3.

Please note, the dates detailed above are tentative and subject to change depending on the extent of the proposed amendments and whether the AESO determines additional Stakeholder sessions are required.

### **Stakeholder Comments**

Please use the *Stakeholder Comment Matrix – Development of Proposed Amended Section 103.3* when submitting comments to the AESO. Stakeholders should ensure that comments provided represent all interests within their organization.

The deadline for Stakeholders to provide comments is April 15, 2021, to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca). Adherence to deadlines is essential to the integrity of the comment process, and as such, the AESO may choose not to consider any Stakeholder comments received after the deadline.

The AESO will post all comments it receives on the AESO website.

### **Related Materials**

1. Copy of existing Section 103.3; and
2. *Stakeholder Comment Matrix – Development of Proposed Amended Section 103.3*.

Sincerely,

*Jodi Marshall*

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Legal and Regulatory Affairs  
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