

February 25, 2021

To: The Market Surveillance Administrator, Market Participants and Other Interested Parties

Re: **Letter of Notice for Development of Proposed Amended Financial Settlement Rules**

- (a) **Section 103.4 of the ISO rules, *Power Pool Financial Settlement* (“Section 103.4”); and**
(b) **Section 103.6 of the ISO rules, *ISO Fees and Charges* (“Section 103.6”),**
(collectively referred to as the “Financial Settlement Rules”)

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 the Market Surveillance Administrator, market participants, and other interested parties (“Stakeholders”) on the development of the following proposed amended ISO rules:

- (a) Section 103.4 of the ISO rules, *Power Pool Financial Settlement* (“Section 103.4”); and
(b) Section 103.6 of the ISO rules, *ISO Fees and Charges* (“Section 103.6”),

Issue

In support of the government of Alberta’s Red Tape Reduction initiative, the AESO is committed to reducing regulatory requirements by one-third by 2023. To achieve this, the AESO is reviewing its authoritative documents and exploring opportunities to reduce its regulatory requirements.

The AESO has reviewed the Financial Settlement Rules and has determined there is an opportunity to reduce a number of process-related requirements that have become standard business activities. The AESO is committed to maintaining stable practices, processes, and timelines but is of the view that it is not necessary to include detailed requirements related to these matters in authoritative documents. The AESO proposes to document details regarding these processes in an information document.

Purpose

The AESO has performed a review of the Financial Settlement Rules and is proposing amendments that will reduce and streamline regulatory requirements, enable electronic funds transfer, clarify the interest calculation and other rights relating to non-compliance with metering requirements, correct typographical errors, and update current drafting style to align with the AESO’s drafting principles.

Proposed Revisions to Section 103.4

The AESO is proposing the following revisions to Section 103.4:

- 1) In order to minimize regulatory requirements, the AESO is proposing to remove the requirements around the following financial settlement processes from Section 103.4.
 - the AESO is proposing to remove references to the preliminary power pool statement from Section 103.4, including from the following subsections:
 - subsections 13(1), (2), (3) and (4) – Post Final Adjustments for Load Settlement; and
 - subsection 18 – Preliminary Power Pool Statement;

- subsection 16 – ISO Reporting of Import and Export Transactions; and
 - subsection 17 – Metering Data Submission Requirements.
- 3) The AESO has simplified the dispute resolution content to create a more streamlined process.
 - 4) Requirements have been included in Section 103.4 to clarify interest provisions related to errors in metering data. These requirements enable the AESO to a) charge a pool participant interest if post final adjustments to metering data are required as a result of a failure to comply with metering requirements; and b) withhold payment until the errors have been corrected.
 - 5) Additionally, the AESO is proposing revisions to Section 103.4 to enable payment to be made by way of electronic funds transfer.

Proposed Revisions to Section 103.6

In order to minimize regulatory requirements, the AESO is proposing to remove requirements around the following financial settlement processes from Section 103.6:

- subsection 2 – Schedule of ISO Fees;
- subsection 3 – Pool Participant Fee;
- subsections 4(2) and (4) – regarding AESO processes relating to record requests; and
- subsection 6(2) – regarding the publication of the energy market trading charge in the *Schedule of ISO Fees*.

Proposed Consultation and Timeline

The AESO is of the opinion that the scope of issues identified is clear and relatively minimal. The AESO is proposing a Stakeholder consultation by way of written process for the proposed amended Financial Settlement Rules:

- February 25, 2021 – the AESO has posted a blacklined and clean copy the proposed amended Financial Settlement Rules for written comment;
- March 18, 2021 – the AESO will provide approximately 3 weeks for Stakeholders to submit written comments on the proposed amended Financial Settlement Rules;
- April 2021 – the AESO will post all written comments from Stakeholders and provide the AESO's written responses to Stakeholder comments;
- April 2021 – provided there are no outstanding Stakeholder concerns, the AESO will submit an application to the Alberta Utilities Commission (“Commission”) for approval of the proposed amended Financial Settlement Rules.

If no comments are received from Stakeholders, the AESO proposes to move directly to filing an application with the Commission for approval of the proposed amended Financial Settlement Rules.

Stakeholder Comments

Please use the *Stakeholder Comment Matrix – Development of Proposed Amended Financial Settlement Rules* 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 March 18, 2021, to 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 received on the AESO's website. Pursuant to Rule 017, the AESO will provide written responses to the comments received and post those responses on the AESO's website. The AESO is posting this notice pursuant to the requirements in AUC Rule 017 and is proposing no further consultation.

Related Materials

1. [Stakeholder Comment Matrix](#) – Development of Proposed Amended Financial Settlement Rules;
2. [Blackline](#) and [clean](#) copies of amended Section 103.4 of the ISO rules, *Power Pool Financial Settlement*; and
3. [Blackline](#) and [clean](#) copies of amended Section 103.6 of the ISO rules, *ISO Fees and Charges*.

Sincerely,

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