

January 29, 2021

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

Re: **Letter of Notice of Draft Proposed New and Amended ISO Rules and AESO Consolidated Authoritative Document Glossary (“CADG”) Terms and Definitions:**

- 1) **Section 202.7, *Markets Suspension or Limited Markets Operations*;**
- 2) **Section 302.1, *Real Time Transmission Market Constraint Management*;**
- 3) **AESO CADG Definition – “acceptable operational reason”;**
- 4) **AESO CADG Definition – “constraint effective factor”;**
- 5) **AESO CADG Definition – “downstream constraint side”;**
- 6) **AESO CADG Term & Definition – “transmission constraint”;**
- 7) **AESO CADG Definition – “transmission constraint rebalancing”;**
- 8) **AESO CADG Term & Definition – “transmission market constraint”; and**
- 9) **AESO CADG Definition – “upstream constraint side”**

collectively referred to as the “TCM Updates”.

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 and seeking feedback from the Market Surveillance Administrator, market participants, and other interested parties (“Stakeholders”) on the draft proposed TCM Updates.

Issue and Objectives

Following extensive review of existing ISO rules, and taking into consideration feedback received from Stakeholders, the AESO has determined that the proposed TCM Updates provide enhanced clarity regarding the AESO’s application of the procedures set out in Section 302.1, *Real Time Transmission Constraint Management*, and the applicability of related defined terms and definitions. On February 6, 2020 the AESO issued a notice to Stakeholders regarding the development of the proposed TCM Updates (“Notice of Development”). The Notice of Development invited Stakeholders to participate in the AESO’s consultation on the development of the proposed TCM Updates, describing the AESO’s objectives underlying the proposed TCM Updates as follows:

- (a) providing additional clarity in certain ISO rules and defined terms;
- (b) ensuring alignment with certain other ISO rules and defined terms;
- (c) removing requirements and defined terms that are no longer needed; and
- (d) making minor administrative amendments and enhancing alignment with AESO drafting principles.

The AESO received written comments from Stakeholders in response to the Notice of Development. Stakeholders’ feedback highlighted a need for enhanced clarity and additional detail regarding the AESO’s objectives and rationales for the proposed changes contained in the proposed TCM Updates.

In response to Stakeholders' feedback, the AESO has prepared *Appendix A – Proposed TCM Updates – Amendments and Rationales*, which highlights the major areas of concern raised by Stakeholders and elaborates on the AESO's objectives and rationales for the proposed TCM Updates. The AESO took into consideration all Stakeholders' feedback and objectives related to the reduction of unnecessary red tape requirements, culminating in what the AESO now considers to be the final draft of the proposed TCM Updates which the AESO is presenting to Stakeholders for review and comment.

Subsequent to the publication of the Notice of Development, the AESO identified potential additional amendments to Section 202.6 of the ISO rules, *Adequacy of Supply* ("Section 202.6"), and has initiated a separate ISO rules development process.¹ Consequently, the AESO is removing Section 202.6 from the scope of the proposed TCM Updates.

Stakeholder Comments

Stakeholders may submit written comments to the AESO using the *Stakeholder Comment Matrix – Draft Proposed ISO Rule*. The AESO will only consider written comments in finalizing the proposed TCM Updates. Stakeholders should ensure that comments provided represent all interests within their organization. The scope of comments is limited to the draft proposed TCM Updates. The AESO will not consider any comments that are outside of this scope.

The deadline for Stakeholders to provide comments is February 16, 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 is of the view that the proposed TCM Updates are administrative in nature. Pursuant to the recently amended AUC Rule 017, the AESO will post all Stakeholder comments it receives on the AESO's website and 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 on the proposed TCM Updates. If there are no outstanding Stakeholder comments opposing the draft proposed TCM Updates, the AESO will proceed directly to filing an application to the Commission for approval.

Related Materials

1. [Stakeholder Comment Matrix – Draft Proposed ISO Rule](#) for the draft proposed TCM Updates;
2. [Blackline](#) and [clean](#) copies of the draft proposed Section 202.7, *Markets Suspension or Limited Markets Operations*;
3. [Blackline](#) and [clean](#) copies of the draft proposed Section 302.1, *Real Time Transmission Market Constraint Management*;
4. [Blackline copy of the draft proposed CADG Terms and Definitions – TCM Updates](#); and
5. [Appendix A – Proposed TCM Updates – Amendments and Rationales](#).

Sincerely,

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¹ See *Letter of Notice for Development of Proposed Amendments to Section 202.6 of the ISO rules, Adequacy of Supply* (January 5, 2021)