

February 6, 2020

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

Re: **Letter of Notice for Development of Proposed New & Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary (“CADG”) Terms and Definitions:**

- 1) **Section 202.6, Adequacy of Supply;**
- 2) **Section 202.7, Markets Suspension or Limited Markets Operations;**
- 3) **Section 302.1, Real Time Transmission Market Constraint Management;**
- 4) **AESO CADG Definition – “acceptable operational reason”;**
- 5) **AESO CADG Definition – “constraint effective factor”;**
- 6) **AESO CADG Definition – “downstream constraint side”;**
- 7) **AESO CADG Term & Definition – “transmission constraint”;**
- 8) **AESO CADG Definition – “transmission constraint rebalancing”;**
- 9) **AESO CADG Term & Definition – “transmission market constraint”;** and
- 10) **AESO CADG Definition – “upstream constraint side”**

collectively referred to as the “TCM Updates”.

Pursuant to Section 4 of Alberta Utilities Commission Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, 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 development of the proposed TCM Updates.

Issue

The AESO has performed an extensive review of existing ISO rules and has determined that a number of ISO rules and definitions relating to Section 302.1, *Real Time Transmission Constraint Management*, would benefit from improved clarity pertaining to transmission outages and distribution constraints. In particular, the AESO has identified that:

- (a) the definition of “transmission constraint” would benefit from improved clarity regarding the circumstances under which the AESO follows the procedures prescribed by the ISO rule; and
- (b) the definition of “acceptable operational reason” would benefit from improved clarity regarding the AESO’s application of the procedure under the relevant ISO rule and expectations regarding restatements of available capability when subject to distribution constraints or transmission outages that result in electrical disconnection from the electric system.

Consequently, the AESO is proposing the TCM Updates.

Objectives/Purpose

As previously mentioned, the AESO proposes to initiate consultation with Stakeholders with the intention of:

- (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.

Background

The AESO originally developed the proposed TCM Updates in conjunction with the capacity market. Despite the cancellation of the capacity market, the AESO was of the opinion that the TCM Updates were still important and in a [letter](#) dated November 28, 2019, the AESO provided Stakeholders notice of, and requested feedback on, its proposal to proceed with an application to the Alberta Utilities Commission (“AUC”) for approval of proposed new and amended ISO rules and associated defined terms that were entirely reflected in the proposed TCM Updates. Stakeholder feedback expressed concerns with the AESO’s proposal and highlighted the need for further consultation.

In response, the AESO is initiating a separate and new consultation process by issuing this letter pursuant to AUC Rule 017.

Proposed Consultation and Timeline

The AESO is of the opinion that scope of the issues identified is relatively minimal. The AESO is therefore targeting completion of all Stakeholder consultation for the TCM Updates by the beginning of Q2 2020. The AESO proposes Stakeholder consultation on the development of the proposed TCM Updates by way of a written process as follows:

- 1) February 2020 – the AESO to post drafts of the proposed TCM Updates for written comment;
- 2) March 2020 – the AESO to provide 3 weeks for Stakeholders to submit written comments on drafts of the proposed TCM Updates;
- 3) April 2020 – the AESO to post all written comments from Stakeholders and to provide the AESO’s written responses to Stakeholder comments; and
- 4) April 2020 – the AESO to submit an application to the AUC for approval of the proposed TCM Updates.

Stakeholder Comments

Stakeholders may submit:

- (i) written comments;
- (ii) a notice of intent to participate in consultation; and
- (iii) comments on the form of consultation.

The AESO has posted, on the [AESO website](#), any data, analyses, or other material that the AESO considers to be relevant to the development of the proposed TCM Updates.

Please use the attached *Stakeholder Comment Matrix – Development of Proposed ISO Rule* 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 on this Letter of Notice is February 21, 2020, to rules_comments@aesoc.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 publish all Stakeholder comments, received by the deadline, on the AESO website on February 25, 2020.

If no comments are received by the AESO regarding the proposed TCM Updates, the AESO will post the proposed TCM Updates for written consultation.

Related Materials

1. [Stakeholder Comment Matrix – Development of Proposed Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary Definitions, collectively referred to as the “TCM Updates”](#)
2. [Blackline version of Section 202.6, *Adequacy of Supply*](#)
3. [Blackline version of Section 202.7, *Markets Suspension or Limited Markets Operations*](#)
4. [Blackline version of Section 302.1, *Real Time Transmission Market Constraint Management*](#)
5. [Blackline version of CADG Terms and Definitions – TCM Updates](#)
6. [Update Letter for Proposed New & Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary \(“CADG”\) Terms and Definitions, November 28, 2019](#)

Sincerely,

Alison Desmarais

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