



November 27, 2019

To: Market Surveillance Administrator, Market Participants and Other Interested Parties (“Stakeholders”)

Re: **Update Letter for Notice of Development of a Proposed Amended ISO Rule – Section 203.1, Offers and Bids for Energy (“Section 203.1”)**

**Background**

As part of the AESO’s development of ISO rules required to establish and implement the capacity market, the AESO performed an extensive review of existing ISO rules. As a result of this process, the AESO identified a number of ISO rules requiring changes. Whereas certain changes to the existing ISO rules were considered essential for the implementation of the capacity market (“Amended EAS Market Rules”), others were not considered essential (“Category 2 Rules”). The ISO rules development consultation process associated with both sets of amendments commenced in July 2018 and concluded in March 2019.

On January 31, 2019, the AESO filed its capacity market application which included the proposed Amended EAS Market Rules.

In a [letter](#) dated July 25, 2019, the AESO received notification from the Government of Alberta that Alberta will not transition to a capacity market, and will continue with an energy-only market. On July 29, 2019, the Alberta Utilities Commission (“AUC”) accepted the AESO’s request to withdraw its capacity market application. Subsequently, the AESO did not file an application for the proposed Category 2 Rules.

The purpose of this letter is to inform Stakeholders that the AESO is continuing to propose some of the amendments that were identified during the above review and which do not relate to establishing or implementing the capacity market. The proposed amended Section 203.1 essentially consists of amendments drawn from the proposed Amended EAS Market Rules and Category 2 Rules, absent capacity market-related content.

**Consultation Completed to Date**

The proposed amendments to Section 203.1 have largely been consulted on with the Amended EAS Market Rules, and the Category 2 Rules.

Consultation conducted by the AESO for the Amended EAS Market Rules included:

Date	Consultation Activities
August 3, 2018	Publication of the Set 1 Draft Rules
August 13, 2018	Invitation for written comments on the Set 1 Draft Rules
August 15, 2018	In-person presentation on the Set 1 Draft Rules
August 31, 2018	Publication of the Set 2 Draft Rules
September 7, 2018	Publication of Set 1 Stakeholder Comments

Date	Consultation Activities
September 7, 2018	Invitation for written comments on the Set 2 Draft Rules
September 7, 2018	In-person presentation on the Set 2 Draft Rules
October 10, 2018	Publication of Set 2 Stakeholder comments
October 22, 2018	Publication of the Proposed New and Amended ISO Rules and Terms and Definitions for the Implementation of the Capacity Market
October 26, 2018	Invitation for comments on the proposed New and Amended Rules and Terms & Definitions posted October 22, 2018
November 29, 2018	Publication of replies to Stakeholder comments on proposed Capacity Market Rules and Definitions

During the above consultation activities, Stakeholders were provided an opportunity to review and provide comments, to which the AESO provided replies, in accordance with AUC Rule 017.

Consultation conducted by the AESO for the Category 2 Rules included:

Date	Consultation Activities
November 20, 2018	Publication of Category 2 Rules and invitation for written comments
December 20, 2018	Publication of AESO reply to stakeholder comments

With respect to the Category 2 Rules, following the AESO's reply to Stakeholder comments on December 20, 2018, the AESO did not receive written comments from Stakeholders on any of the additional proposed amended ISO rules and associated definitions that were posted for consultation in 2019.

### Proposed Next Steps

Proposed amendments to Section 203.1 are reflective of requirements of the energy-only market and will introduce a requirement for ramp table submissions, and administrative amendments. The ramp table will be used by AESO system controllers for information on dispatch certainty in real time and input in the AESO's dispatch forecasting tool.

The AESO is of the view that it has met the intention of sections 4 and 6 of AUC Rule 017 as a result of the consultations completed to date. Therefore the AESO is proposing to proceed directly to submitting an application to the AUC for approval of proposed amended Section 203.1, the blackline of which is attached for reference. If any Stakeholder has significant concerns with the AESO's proposed next step, please provide those concerns in writing to [rules\\_comments@ieso.ca](mailto:rules_comments@ieso.ca) prior to December 10, 2019.

### Attachments

1. [Blackline version of Section 203.1, Offers and Bids for Energy](#)

Sincerely,

*Alison Desmarais*  
 Regulatory Administrator  
 Legal & Regulatory Affairs  
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