

December 12, 2019

Alison Desmarais
Regulatory Administrator
Alberta Electric System Operator
2500, 330 - 5th Avenue SW
Calgary, AB T2P 0L4

Dear Ms. Desmarais,

Re: MSA Comments re Proposed Changes to ISO Rules

On November 28, 2019, the Alberta Electric System Operator (AESO) gave notice to stakeholders proposing changes to ISO Rules and Consolidated Authoritative Documents Glossary definitions related to Transmission Constraint Management. The proposed changes were initially raised by the AESO during its consultation on the capacity market but were not filed or reviewed by the Alberta Utilities Commission in Proceeding 23757.

Based on the proposed changes to the definition of “acceptable operating reason” and the replacement of the term “transmission constraint” with “transmission market constraint” it is apparent that the new definition of transmission market constraint is narrower than the existing definition of transmission constraint. The MSA is of the view that additional consultation on the proposed changes is warranted before they are filed with the Commission for approval.

Related to the proposed changes, the MSA has some specific questions for the AESO:

1. On April 5, 2013, the Commission issued Decision 2013-135 regarding ISO Rule 302.1, *Real Time Transmission Market Constraint Management*. Can the AESO explain how the proposed changes are consistent with this Decision?
2. In relation to these specific proposed changes (rather than in the context of broader changes to the electricity market), can the AESO explain how they support the fair, efficient and openly competitive operation of the electricity market as required of proposed ISO Rules under section 20.21 of the *Electric Utilities Act*?
3. Can the AESO explain in detail which types of transmission constraints, if any, are captured within the existing definition of “transmission constraint” that would not be captured within the proposed definition of “transmission market constraint”? In particular, would congestion on a radial line or as a result of a remedial action scheme be captured within the proposed definition of “transmission market constraint”?

If the AESO would like to discuss this matter further with the MSA, please contact us.

Sincerely,

Gordon Kaiser

Market Surveillance Administrator