

AESO BYLAWS

The Alberta Independent System Operator (“AESO”) hereby declares that these Bylaws are made under the authority of section 10 of the *Electric Utilities Act* (Alberta) to govern its business and affairs.

THEREFORE the AESO makes the following Bylaws:

ARTICLE 1 DEFINITIONS

1.1 Definitions

In these Bylaws, unless the context otherwise requires:

- (a) “Act” means the *Electric Utilities Act*, SA 2003 c E-5.1, as amended from time to time;
- (b) “Business Day” means a day other than a Saturday, Sunday or statutory holiday in Alberta;
- (c) “Bylaws” means these bylaws;
- (d) “CEO” means the chief executive officer appointed pursuant to section 11 of the Act;
- (e) “Chair” means the Member designated as the Chair of the AESO by the Minister pursuant to section 8 of the Act;
- (f) “Committee” means a committee established by the AESO Board;
- (g) “AESO” means the “Independent System Operator”, a corporation established pursuant to section 7 of the Act;
- (h) “AESO Board” means all the Members;
- (i) “Member” means an individual appointed as a member of the AESO by the Minister pursuant to section 8 of the Act;
- (j) “Minister” means the minister as defined in the Act; and
- (k) “Officer” means the Chair, Vice-Chair, CEO or Secretary and any other Officer of the AESO appointed pursuant to Article 6.4 hereof.

1.2 Definitions from Act

Terms that are defined in the Act have the same meaning when they are used in the Bylaws unless specified otherwise.

ARTICLE 2 APPROVAL

2.1 Approval Requirements

These Bylaws and any amendments shall be adopted by a resolution of the AESO Board made pursuant to Articles 4.15 or 4.16 hereof and shall come into force on the date set out in Article 13.1 hereof.

ARTICLE 3 PURPOSE OF THE AESO

3.1 Purpose

The purpose of the AESO is to carry out the duties and functions given to it under the Act and any other enactment including, without limitation:

- (a) to operate the power pool in a manner that promotes the fair, efficient and openly competitive exchange of electric energy;
- (b) to facilitate the operation of markets for electric energy in a manner that is fair and open and that gives all market participants wishing to participate in those markets and to exchange electric energy a reasonable opportunity to do so;
- (c) to determine, according to relative economic merit, the order of dispatch of electric energy and ancillary services in Alberta and from scheduled exchanges of electric energy and ancillary services between the interconnected electric system in Alberta and electric systems outside Alberta, to satisfy the requirements for electricity in Alberta;
- (d) to carry out financial settlement for all electric energy exchanged through the power pool at the pool price unless this Act or the regulations made by the Minister under section 41 provide otherwise;
- (e) to manage and recover the costs of transmission line losses;
- (f) to manage and recover the costs for the provision of ancillary services;
- (g) to provide system access on the transmission system and prepare an AESO tariff;
- (h) to direct the safe, reliable and economic operation of the interconnected electric system; to assess the current and future needs of market participants and plan the capability of the transmission system to meet those needs;
- (j) to make arrangements for the expansion of and enhancement to the transmission system;
- (k) to collect, store and disseminate information relating to the current and future electricity needs of Alberta and the capacity of the interconnected electric system to meet those needs, and to make that information available to the public;
- (l) to administer load settlement;
- (m) to monitor the compliance of market participants with rules made under sections 19, 20 and 24.1 of the Act;

- (n) to develop proposals for renewable electricity programs under the *Renewable Energy Act*, SA 2016 c R-16.5 (the “Renewable Energy Act”);
- (o) to implement renewable electricity programs and to administer renewable electricity support agreements under the Renewable Energy Act;
- (p) to perform any other function or engage in any activity the AESO considers necessary or advisable to carry out its duties, responsibilities or functions under the Act or any other enactment.

3.2 Chief Executive Officer

The AESO Board must appoint a CEO who shall have such powers and duties as the Bylaws or the AESO Board may specify. The CEO shall hold office and serve until his or her successor is appointed by the AESO Board, unless he or she resigns or is relieved from office by the AESO Board.

ARTICLE 4 MEETINGS OF THE AESO

4.1 Regular Meetings

The AESO Board may, by resolution passed at a meeting of the AESO Board or by written resolution in accordance with Article 4.15 hereof, establish days, times and places for regular meetings of the AESO Board. No notice is required to be given to the Members respecting the holding of any regular meeting. The Secretary shall provide to each Member an agenda for each regular meeting, prepared in accordance with Article 4.10, but any Member may raise any item of business at a regular meeting whether or not stated in the agenda.

4.2 Special Meetings

A special meeting of the AESO Board may be called by the Chair and may be held on a date and at a time and place fixed by the Chair.

4.3 Special Meetings Requested by Members

Any three (3) Members may request the Chair to call a special meeting of the AESO Board by forwarding to the Chair, in the manner provided for in Article 12.1 hereof, a written request for such meeting signed by such Members. The written request shall state the business to be transacted at the special meeting of the AESO Board. Within a reasonable period of time after receiving such written request, the Chair shall call a special meeting of the AESO Board to be held on a date and at a time and place fixed by the Chair. Except with the unanimous consent of the Members entitled to vote with respect to an item of business raised at a special meeting but not stipulated in the notice of special meeting, the only business to be conducted at the special meeting shall be that stipulated in the notice of that special meeting.

4.4 Location of Meetings

With the exception of virtual meetings, all meetings of the AESO Board shall be held within the Province of Alberta.

4.5 Notice of Special Meetings

The Secretary shall provide written notice of the date, time and place of every special meeting of the AESO Board to each Member, in the manner provided for in Article 12.1 hereof, not less than three (3) Business Days before a special meeting of the AESO Board. Notices provided pursuant to this Article shall state the date, time and place of the meeting and a summary of the business expected to be transacted at the meeting.

4.6 Notice of Address and Change of Address

Each Member shall give written notice of his/her address or of any change of his/her address by delivering such notice to the Secretary, in the manner provided for in Article 12.1 hereof, who shall keep a record of the same.

4.7 Attendance of Observers

The AESO Board or the Chair may invite any person, including, without limitation, the CEO and any Officer, to attend and participate at any meeting of the AESO Board; however, such person shall not have the right to vote on any matters submitted to a vote at such meeting.

4.8 Waiver of Notice

Required notice of any meeting (including an adjourned meeting) of the AESO Board or the time for the giving of any such notice or any irregularity in any such meeting or in the notice thereof may be waived in writing by any Member and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a Member is a waiver of notice of such meeting, except when attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

4.9 Agenda

Where a Member desires to have an item of business considered by the AESO Board, the Secretary shall be notified accordingly, preferably in writing, or in some other practicable manner, prior to the meeting at which the item is to be considered, and the Secretary, where feasible, shall include the item in the agenda for the meeting concerned. In addition to the agenda, each Member shall be provided with a copy or summary of pertinent documents pertaining to each item of business to be considered at the meeting.

4.10 Business at Meetings

At any regular or special meeting of the AESO Board (other than a meeting which has been adjourned once for lack of a quorum), the AESO Board may consider any item of business which is included in the notice of meeting or agenda for such meeting and may, with the consent of the meeting (given in accordance with Article 4.17 hereof), also consider any other item of business not included in the notice of meeting or agenda. At any meeting of the AESO Board which has been adjourned once for lack of a quorum, the AESO Board may consider any item of business which is included in the notice or agenda for the original meeting and may, with the unanimous consent of all the Members (whether or not present at the adjourned meeting), also consider any other item of business not included in the notice of meeting or agenda.

4.11 Adjournment

The Chair may, with the consent of the Members (given in accordance with Article 4.16 hereof), adjourn the meeting from time to time by announcement at the time of the adjournment. The Secretary shall provide written notice of the date, time and place of resumption of the adjourned meeting to each Member, in the manner provided for in Article 12.1 hereof, not less than five (5) Business Days before the date of the resumption of the adjourned meeting. The resumption of an adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present at the adjourned meeting. The original meeting shall be deemed to have terminated forthwith after its adjournment.

4.12 Quorum

A majority of the current Members shall constitute a quorum necessary for the transaction of business at any meeting of the AESO.

4.13 Procedure at Meetings

The Chair shall preside as chair at all meetings of the AESO Board. In the absence of the Chair, the Vice Chair shall preside as chair at the meeting. In the absence of the Chair or Vice-Chair at any meeting, the Members present shall choose a Member present to be chair of that meeting. The Secretary shall act as Secretary of all meetings of the AESO Board. In the absence of the Secretary at any meeting, the chair of the meeting shall choose an individual present to act as secretary at that meeting.

4.14 Voting Requirements

Subject to Article 7.4 hereof, each Member shall be entitled to one vote upon each matter submitted to a vote at any meeting of the AESO Board.

A decision of the AESO Board at a meeting at which a quorum is present concerning any item of business shall be made by a resolution passed by the vote of a majority of the Members who are entitled to vote on the resolution and are present at the meeting. Voting at a meeting shall be conducted in accordance with Article 4.16.

4.15 Resolution without Meeting

The AESO Board may make a decision concerning any item of business by a resolution passed in writing and signed by all the Members who are entitled to vote on the resolution without their meeting together, and such a resolution shall be as valid and effectual as if it had been passed at a meeting of the AESO Board duly called and held and shall be deemed to be effective on the date stated in the resolution to be the effective date.

4.16 Resolutions at a Meeting - Declarations and Ballots

Subject to Article 4.17, each matter submitted to a vote at a meeting of the AESO Board shall be decided by verbal declaration of the Members except when a written ballot is required by the Chair of the meeting or is requested by a Member entitled to vote in respect of the matter. A Member may request a written ballot before or on the declaration of the result of any vote. In the written ballot, each Member shall indicate the manner in which it is voting and such Member's identity.

4.17 Telephone or other Communication Facilities

Any meeting of the AESO Board may be held, and any Member may participate in any such meeting, by means of telephone or other communication facilities that permit all Members participating in the meeting to hear each other. Each member so participating shall be deemed to be personally present at such meeting. Voting at such a meeting may be done by each Member when asked for a record of the vote by the Chair by each such Member verbally signifying "aye" or "nay".

4.18 Expenses Incurred by Members

Members of the AESO shall be entitled to be reimbursed by the AESO for all reasonable out-of-pocket and travel expenses incurred by them in connection with attendance at any meeting of the AESO Board or otherwise incurred by them in connection with the business and affairs of the AESO, subject to Chair's authorization.

4.19 Remuneration of Members

Chair, Vice-Chair and Members shall be eligible to receive remuneration from the AESO as follows:

Chair

\$90,000 annual retainer, total compensation;

Vice-Chair

\$1,000 per AESO Board meeting when serving as Chair;

Members

\$27,500 Member annual retainer;

\$7,500 Committee Chair annual retainer;

\$1,000 per regular AESO Board meeting attended;

\$500 per special AESO Board meeting attended;

\$1,000 per Committee meeting attended as a member of such Committee; and Per-diem for additional AESO business, subject to Chair's authorization.

Chair, Vice-Chair and Members

Health and insurance benefits or \$6,000 per annum in lieu, but only if appointed prior to December 1, 2013.

**ARTICLE 5
CRITERIA AND PROCESS FOR RECOMMENDING
THE APPOINTMENT OF MEMBERS AND CHAIR**

5.1 Criteria and Process

- (a) The AESO Board must, as required by the Act, recommend to the Minister the appointment of an individual to the position of Member, including the re-appointment of a Member, subject, *inter alia*, to the following criteria and process:
 - (i) such individual is in the opinion of the AESO Board, qualified pursuant to subsection 8(1) of the Act; and
 - (ii) the steps taken to identify each such individual are taken in accordance with a recruitment process established by the AESO Board or any applicable legislation.
- (b) In the event that the Chair has given notice of his or her intention to resign or not seek reappointment or there is a vacancy in the office of Chair, the AESO Board may recommend to the Minister the appointment of an individual to the position of Chair subject, *inter alia*, to the following criteria and process:
 - (i) such individual is in the opinion of the AESO Board, qualified pursuant to subsection 8(1) of the Act;
 - (ii) the steps taken to identify such individual were taken in accordance with a recruitment process established by the AESO Board or any applicable legislation; and such individual is in the opinion of the AESO Board qualified to perform the duties of Chair in accordance with these Bylaws.
- (c) in the event the AESO Board has made a decision pursuant to either the foregoing Article 5(1)(a) or (b), the Chair, or the Vice-Chair in the absence of the Chair, or when there is a motion involving the Chair being discussed, or if neither of the foregoing are able to act, such other Member as designated by the AESO Board, shall meet with the Minister to convey the AESO Board's decision.

5.2 Removal Process

- (a) The AESO Board may recommend to the Minister the removal of a Member, provided that there is an affirmative vote of not less than 2/3 of the Members that:

- (i) such Member is no longer qualified pursuant to subsection 8(1)(a) of the Act; or
 - (ii) the Member's conduct is inconsistent with the standard specified in subsection 8(1)(b) of the Act.
- (b) In the event the AESO Board has made a decision to recommend the removal of a Member pursuant to the foregoing Article 5.2(a), the Chair, or the Vice-Chair in the absence of the Chair or when there is a motion involving the Chair being discussed or if neither of the foregoing are able to act, such other Member as designated by the AESO Board, shall meet with the Minister to convey the AESO Board's decision.

ARTICLE 6

CONDUCT OF THE BUSINESS AND AFFAIRS OF THE AESO

6.1 General Powers

Subject to these Bylaws, the Act and any other enactment, the Members shall oversee the business and affairs of the AESO.

Subject to the Act, and any other enactment, the AESO Board may from time to time delegate in whole or in part any of the powers or duties of the AESO to a Committee or Committees, a task force, panels, Officers or employees or to any other person on such conditions as the Bylaws or the AESO Board may by resolution specify.

6.2 Appointment of Vice-Chair

The AESO Board may appoint a Member as the Vice-Chair. The Vice-Chair shall hold office at the pleasure of the AESO Board.

6.3 Appointment of Secretary

The AESO Board shall appoint an individual as the Secretary of the AESO. The Secretary shall hold office at the pleasure of the AESO Board.

6.4 Officers – General

In addition to the Chair, Vice-Chair, CEO and Secretary, the AESO Board may from time to time by resolution appoint such other Officers of the AESO as it shall deem necessary, who shall have such functions and duties as may from time to time be prescribed by the CEO. All such other Officers shall hold office at the pleasure of the AESO Board. An individual may hold more than one office of the AESO. The AESO Board may re-appoint any individual to any other such office from time to time. The CEO may vary, add to or limit the duties and powers of any Officer except as same are set out in these Bylaws. Any variation, addition to, or limitation of, the duties and powers of Officers as specified in these Bylaws shall require amendment hereof in the manner specified in these Bylaws.

6.5 Removal of Officers and Vacation of Office

- (a) Any Officer other than the Chair may be removed by the AESO Board whenever in its judgment the best interests of the AESO would be served thereby.
- (b) Any Officer of the AESO ceases to hold office when such Officer dies, resigns, or is removed from office.
- (c) Unless otherwise determined by the AESO Board or the CEO, the resignation of any Officer becomes effective at the time a written resignation is received by the Chair from a Member or the CEO, or received by the CEO from any other Officer or at the time specified in the written resignation, whichever is later.

6.6 Vacancies

If any office created by the AESO Board under Article 6.4 shall be or become vacant by reason of death, resignation, removal from office or in any other manner whatsoever, the AESO Board in accordance with Article 6 may appoint an individual to fill such vacancy.

6.7 Duties of the Chair

The Chair, subject to the direction of the AESO Board, shall facilitate the operations and deliberations of the AESO Board and the fulfillment of the AESO Board's role and responsibilities under its mandate. These include the following:

- (a) preside as chair at all meetings of the AESO Board;
- (b) call regular meetings and special meetings of the AESO Board; (c) approve the expense Accounts of Members, excluding the Chair;
- (d) make recommendations to the AESO Board with respect to the creation of additional offices of the AESO and the appointment of individuals to occupy such offices;
- (e) retain third party services that the Chair deems advisable and appropriate for the administration of AESO Board affairs and for carrying out the duties and responsibilities of the Chair;
- (f) have such other powers and carry out such other duties as may from time to time be assigned to the Chair by the AESO Board or as are incidental to the office of Chair; and
- (g) foster ethical and responsible decision making with the emphasis on good governance.

6.8 Duties of the Vice-Chair

The Vice-Chair shall be vested with all the powers and shall perform all the duties of the Chair in the absence of the Chair, or when there is a motion involving the Chair being discussed. The Vice-Chair shall have such other powers and shall perform such other duties as may from time to time be delegated to the Vice-Chair or assigned by the AESO Board.

6.9 Duties of the Secretary

The Secretary, subject to the direction of the AESO Board, shall have the following powers and shall carry out the following duties:

- (a) except for in camera meetings, attend all meetings of the AESO Board and record all votes thereat;
- (b) prepare and send to the appropriate persons at appropriate times, any notices, requests, acknowledgments and other documents or correspondence as may be necessary or desirable in the conduct of the business and affairs of the AESO, including all documents incidental to meetings of the AESO Board;
- (c) take and transcribe accurate minutes of all meetings of the AESO Board and keep a continuing minute book or other continuing suitable record of all minutes, resolutions, decisions and other proceedings of the AESO Board;
- (d) maintain the correspondence of the AESO Board;
- (e) keep safe custody of the corporate seal, if any, of the AESO;
- (f) have general charge and supervision of the records of the AESO; and
- (g) have such other powers and carry out such other duties as may from time to time be assigned to the Secretary by the AESO Board or as are incidental to the office of Secretary.

6.10 Making of Agreements

The AESO Board may from time to time by resolution appoint or delegate to the CEO or any Officer or Officers or any other person or persons on behalf of the AESO authority to sign and deliver contracts or other documents generally or to sign and deliver specific contracts or other documents. No contract or other documents shall be signed and delivered on behalf of the AESO unless pursuant to general or specific authorization by the AESO Board.

6.11 Fiscal Year

The fiscal year of the AESO shall be the calendar year unless the AESO Board designates otherwise.

6.12 Budgets

The AESO Board shall annually establish and approve a budget that includes all anticipated expenditures of the AESO for the up-coming fiscal year and includes any other items required to be included by the Act.

6.13 Accounting System

The AESO Board shall ensure that an adequate system of books and records in respect of the financial affairs of the AESO is installed and maintained.

6.14 Auditor

The AESO Board shall appoint an independent auditor to audit its financial statements.

6.15 Annual Report

Following the end of each fiscal year, there shall be prepared and submitted to the AESO Board an annual report that includes audited financial statements and a general summary of the AESO's activities in that fiscal year. The annual report of the AESO shall be submitted to the Minister in accordance with the Act.

6.16 Head Office

The AESO Board may designate the head office of the AESO at a location within Alberta.

6.17 Records

The AESO shall maintain at its head office (or, if the AESO does not have a head office, at the location determined by the Secretary) records containing:

- (a) the Bylaws;
- (b) the minutes of meetings of the AESO Board;
- (c) all resolutions, decisions and other proceedings of the AESO;
- (d) the addresses of the Members;
- (e) the financial records and audited financial statements of the AESO; and
- (f) such other documents as the AESO Board may from time to time direct. Such records shall at all reasonable times be open to examination by Members.

6.18 Seal

The AESO Board may adopt and change a corporate seal. A document executed on behalf of the AESO is not invalid only because the corporate seal of the AESO is not affixed to the document.

6.19 Legal Counsel

The AESO Board may retain a member of the Law Society of Alberta as counsel to the AESO. Counsel to the AESO shall provide legal advice to the AESO and act on the lawful instructions of the AESO or its designate.

ARTICLE 7 CONFLICT OF INTEREST

7.1 Conflict of Interest Disclosure

Article 7.2 hereof applies to disclosures and declarations made at the outset of or during a meeting of the AESO Board, Committee or Task Force. Notwithstanding disclosures or declarations made under Article 7.2, all conflicts of interest must also be disclosed in accordance with disclosure requirements in the AESO Code of Conduct, attached as Appendix A. Where a Member or Officer has disclosed a conflict of interest in accordance with the AESO Code of Conduct, or where a disclosure or declaration has been made pursuant to Article 7.2, upon such disclosure or declaration, the provisions of Articles 7.3, 7.4 and 7.5 shall apply to such Member or Officer.

7.2 Disclosure and Declaration at a Meeting

If a Member or Officer is party to, or is an employee, director or officer of or has a material interest in any person who is party to, a material contract or proposed material contract with the AESO, or is otherwise not independent for purposes of a particular matter before the AESO or is or may be in a conflict of interest, that Member or Officer shall disclose to the AESO Board or the Committee or Task Force, as the case may be, at the outset of any meeting at which such matter is to be considered or otherwise upon first being aware during such meeting of a potential conflict of interest, the nature and extent of the conflict or interest in the contract or matter before the contract or matter is dealt with or authorized by the AESO Board, Committee or Task Force. If the chair of such meeting is of the opinion that a Member or an Officer has a conflict or interest in a matter or contract described in this Article 7.2, or is otherwise in a conflict of interest, then the chair of such meeting may so declare notwithstanding no disclosure has been made by such Member or Officer and notwithstanding such Member or Officer is of the view that this Article 7.2 is not applicable in relation to such matter or contract. A Member or Officer required to make a disclosure, or who is the subject of a declaration by the chair, under this Article 7.2 must make a disclosure under the AESO Code of Conduct as soon as reasonably practicable following the meeting.

7.3 Non - Disqualification

A Member or Officer required to make a disclosure under Article 7.2 hereof or the AESO Code of Conduct, or who is the subject of a declaration by the chair under Article 7.2 hereof, shall not be disqualified from or be required to vacate that position or office by reason only of that Member's or Officer's interest in the matter or contract.

7.4 Discussion and Voting

A Member or Officer required to make a disclosure under Article 7.2 hereof or the AESO Code of Conduct, or who is the subject of a declaration by the chair under Article 7.2 hereof, shall not participate in any discussion respecting, nor vote on any resolution to approve the matter or contract, but such Member shall be counted to determine the presence of a quorum.

7.5 Accountability

A Member or Officer required to make a disclosure under Article 7.2 hereof or the AESO Code of Conduct, or is the subject of a declaration by the chair under Article 7.2 hereof, in regards to a material contract or proposed material contract with the AESO shall not, by reason only of being a Member or Officer, be accountable to the AESO for any profit or gain realized from a contract referred to in Article 7.2 hereof and such contract shall not be void or voidable by reason only of the Member's or Officer's interest therein, provided that the required disclosure of interest is properly made under Article 7.2 or the AESO Code of Conduct, or the chair has made a declaration under Article 7.2, the contract is approved by the AESO and Article 7.4 hereof is complied with fully.

**ARTICLE 8
INDEMNITIES AND
INSURANCE**

8.1 Indemnity

The AESO shall indemnify a Member, Officer, a former Member, former Officer, and such person's heirs and legal representative, from and against any liability and all costs, charges and expenses whatsoever, including an amount paid with the prior approval of the AESO Board to settle an action and an amount paid to satisfy a judgment, that such person sustains or incurs in respect of any action, suit or proceeding that is threatened or commenced against such person by reason of such person being or having been a Member or Officer.

8.2 Exceptions

Notwithstanding Article 8.1 hereof, a Member, an Officer, a former Member, former Officer and such person's heirs and legal representative, shall not be entitled to be indemnified by the AESO if:

- (a) such person failed to act honestly and in good faith; or
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person did not have reasonable grounds for believing that his or her conduct was lawful.

8.3 General Power

Nothing in this Article 8 shall restrict the ability of the AESO to exercise any power it may have to enter into a contract or undertaking of indemnity with or for the benefit of any Member, Officer or employee, former Member, former Officer or former employee of the AESO.

8.4 Insurance

The AESO may purchase and maintain insurance for the benefit of any person it considers appropriate against any liability incurred by that person in that person's capacity as Member, Officer, agent, contractor, or employee of the AESO.

**ARTICLE 9
COMMITTEES AND TASK FORCE**

9.1 Committees and Task Force

The AESO Board may establish any Committees or Task Force it considers necessary or desirable to act in connection with any matter pertaining to the duties and functions given to the AESO under the Act or any other enactment.

9.2 Appointment of Members

The AESO Board may, with respect to any Committee or Task Force established under Article 9.1 hereof:

- (a) appoint or provide for the manner of appointment of those persons who constitute members of the Committee or Task Force;
- (b) prescribe the term of office of any member of the Committee or Task Force;
- (c) designate a Chair and Secretary of the Committee or Task Force; and
- (d) authorize, fix and provide for the payment of remuneration, if any, and expenses to the members of the Committee or Task Force.

9.3 Rules of Procedure

The AESO Board may, in respect of a Committee or Task Force established under Article 9.1 hereof, make rules of procedure governing the calling of meetings, the conduct of business at the meetings, reporting and any other matters that may be required.

9.4 Duties of Committees or Task Force

A Committee or Task Force established pursuant to Article 9.1 hereof shall have the powers and shall perform the duties and functions that the AESO Board may confer or impose on it.

ARTICLE 10 CODE OF CONDUCT

10.1 Establishment

The AESO Board shall confirm a process is in place whereby the Members, Officers, employees, and agents of the AESO, confirm compliance with the AESO Code of Conduct, which is attached to these Bylaws as Appendix A. The AESO Code of Conduct may be amended from time to time.

10.2 Contractors

In addition to the foregoing, the AESO Board shall confirm that all contractors are bound by a provision or provisions within their contracts with the AESO that are similar to or exceed the standards and requirements established in the AESO Code of Conduct in Appendix A, to the extent permissible by law.

ARTICLE 11 AMENDMENTS TO BYLAWS

11.1 Amendment Requirements

These Bylaws may be amended by a resolution made pursuant to Article 4.15 or 4.16 hereof.

ARTICLE 12 MISCELLANEOUS

12.1 Methods of Giving Notice

Any notice or other document required by these Bylaws to be sent to (i) any Member shall be delivered personally or sent by prepaid mail or by email to the latest address or email address, as the case may be, for such Member as shown in the records of the AESO or (ii) the AESO, or any Officer of the AESO, shall be delivered personally or sent by prepaid mail or by email to the head office of the AESO if the AESO has a head office and otherwise to the address of the Secretary. A notice delivered personally shall be deemed to have been given when so delivered; a notice mailed shall be deemed to have been given on the third Business Day following the day such notice was deposited in a post office or public letter box; and a notice sent by electronic mail shall be deemed to have been given on the next Business Day following the day it was sent.

12.2 Singular, Plural, etc.

In these Bylaws when the context so requires, words importing the singular include the plural and vice-versa and words importing gender include the masculine, feminine and neuter genders.

**ARTICLE 13
EFFECTIVE DATE**

13.1 Effective Date

These Bylaws are made effective the 18th day of October, 2023, and supersede and replace any prior approved Bylaws.

APPENDIX A
AESO CODE OF CONDUCT
(Attached)



AESO Code of Conduct

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Introduction



The AESO is a statutory corporation whose mandate impacts all Albertans. The AESO is committed to fulfilling its mandate with integrity and impartiality

This AESO Code applies to all Employees, Members, and Agents (each referred to as “You” throughout this AESO Code).

All general inquiries regarding this AESO Code and its administration should be directed to the Vice President, Law.



1. COMPLIANCE AND ETHICAL CONDUCT

You are required to comply with all applicable laws and AESO policies (including this AESO Code). While not all situations are addressed in this AESO Code, its principles and practices offer guidance for your conduct. If in doubt, you can request guidance from your Designated Contact or the Vice President, Law.

When carrying out your duties, you must always act, and be seen to be acting, ethically, with impartiality and in the public interest. This includes avoiding any action or inaction that could reasonably be considered legally or ethically suspect. In addition, you must not knowingly assist or allow other Employees, Members, Agents, Contractors, or Market Participants to take any action or inaction that would violate any applicable laws, ethical standards or this AESO Code.

This AESO Code is not a full statement of your obligations and is not intended to supersede any applicable laws or contractual obligations between you and the AESO. If there is a conflict between the provisions of this AESO Code and applicable laws, the applicable laws will prevail.



2. CONFIDENTIALITY

Maintaining the confidentiality of information is crucial to the AESO and is central to its operations. Confidential information includes any information that is not publicly known, including the personal, technical, proprietary, business, and financial information of the AESO, Agents, Contractors, Market Participants, Departments and Public Agencies, and other existing or prospective contractual counterparties of the AESO.

You are required to protect the confidentiality of information by complying with applicable laws (including the ISO Rules), AESO policies (including this AESO Code) and the agreements to which the AESO is a party. You must safeguard the confidential information in the AESO's possession from unprotected access, unintended or inappropriate disclosure. This care in the handling of confidential information protects the integrity and reliability of the Alberta interconnected electric system and personal privacy.

You must not disclose any confidential information to anyone outside of the AESO, except as authorized by applicable laws (including the ISO Rules), AESO policies (including this AESO Code) and the agreements to which the AESO is a party. Within the AESO, you must not use or disclose confidential information, unless it is required to properly and efficiently perform your duties.

You must not use or disclose confidential information at any time after the end of your employment with, appointment, or service to the AESO, unless required by applicable laws. You must promptly return all such information to the AESO at the end of your employment, appointment, or service and ensure that any confidential information is deleted from any personal electronic device.



3. PROHIBITION FROM ACTING IN SELF-INTEREST OR FURTHERING PRIVATE INTERESTS

You must not act in your self-interest or further your Private Interests or those of a Related Party by virtue of your position or employment with the AESO or by the carrying out of your duties and responsibilities at the AESO.



4. INVESTMENTS AND ASSETS

In the performance of your duties, you may become aware of material information that is not available to the general public about Agents, Contractors, Market Participants, Departments and Public Agencies, or other existing or prospective contractual counterparties of the AESO.

In accordance with sections 2 and 3 of this AESO Code, you must not use or disclose such information to advance your Private Interests or a Related Party's Private Interests or disclose any such information to anyone else, unless required by applicable laws. Similarly, you must not, directly or indirectly, sell or purchase Securities using material information not available to the general public.

The restrictions regarding trading activities contained in this AESO Code are not exhaustive. Canadian and applicable provincial legislation also impose restrictions. You must ensure that your trading activities comply with all applicable laws and this AESO Code.



5. CONFLICTS OF INTEREST

A conflict of interest exists in any situation where your or any Related Party's personal or other interests may in any way affect, or interfere with, your position or employment or discharge of your duties and responsibilities at the AESO. A conflict of interest also exists in any situation where you or any Related Party, receive a personal opportunity or advantage by virtue of your position or employment with the AESO.

A conflict of interest may be real or apparent. An apparent conflict of interest exists in circumstances where a reasonable person would perceive a conflict of interest, even if there is no real conflict of interest. A conflict of interest, whether real or apparent, calls into question the AESO's integrity and its ability to act in an independent, impartial, and fair manner.

For example, a conflict of interest may arise when a Related Party engages in a business activity that involves the allocation of AESO services or resources, such as submitting a bid in an AESO procurement process. In this example, you must not involve yourself in any way with the AESO's procurement process, related discussions and decisions. If any real or apparent conflict of interest may arise from the situation, you must disclose the conflict, in accordance with the process set out in section 5.1 of this AESO Code.

5.1 Conflict of Interest Disclosure and Management

You must avoid any real or apparent conflict of interest. Where avoidance of a real or apparent conflict of interest is not possible, you must fully disclose, in writing, the conflict of interest to your Designated Contact and the Vice President, Law. You must make the disclosure in advance of taking any action that might give rise to the conflict of interest or, if it could not be reasonably foreseen, make the disclosure immediately upon becoming aware of the real or apparent conflict of interest. Disclosure, while necessary and important, does not in itself remove a real or apparent conflict of interest.

Designated Contacts are required to work with the Vice President, Law and take all steps necessary to manage or resolve any real or apparent conflict of interest.

The role of the Vice President, Law is to:

- Provide guidance and direction on the most appropriate way to manage or resolve any real or apparent conflict of interest that has been disclosed; and
- Document discussions and communication with the affected Employee, Member or Agent regarding the disclosure, the decision made in relation to the conflict of interest, and the reasons for the course of action chosen.

Where you have disclosed a conflict of interest, you must manage and mitigate it in accordance with the guidance and direction provided and keep a record of the disclosure and the decision made in relation to the conflict of interest.

Similarly, you must also report any real or apparent conflict of interest that affects another Employee, Member or Agent in accordance with section 9 of this AESO Code.



6. GIFTS, EVENTS AND CONFERENCES

You and your Spouse, Common Law Partner or dependent children must not accept from an Agent, Contractor, Market Participant, or other existing or prospective contractual counterparty of the AESO any gift or invitation to an event (e.g., entertainment, such as a hockey game; hospitality, such as a meal at a restaurant; and other outing, such as a visit to a site or facility) or a conference that is connected, directly or indirectly, with the performance of your duties and responsibilities at the AESO, if the acceptance of the gift or the invitation to an event or conference creates a real or apparent conflict of interest, is unreasonable, or exceeds the applicable monetary limit set out in section 6.1 of this Code.

What is reasonable depends on the circumstances. To determine whether a gift or invitation is reasonable, you should consider whether:

- You would offer a similar gift or invitation to the Agent, Contractor, Market Participant, or other existing or prospective contractual counterparty of the AESO;
- The gift or invitation is occasional, customarily offered as a business convention, suitable and appropriate given the nature of the function or the services provided; or
- You would be reluctant to publicly report the acceptance of the gift or invitation.

6.1 Applicable Monetary Limits

You must not accept:

- Gifts from a single source with a combined market value that exceeds \$250 in a calendar year;
- Invitations to events from a single source with a combined market value that exceeds \$500 in a calendar year; and
- An invitation to attend, organize, or present at a conference or other educational event if such an invitation comes with reimbursement for travel, meals, and accommodation expenses, and/or a waiver or reduction in fees, and the total market value of the invitation exceeds \$1,250.

You may accept gifts and invitations exceeding the above limits only with prior written approval from:

- In the case of Employees, with the exception of the CEO, the Employee's Vice President;
- In the case of the CEO, Chair and Members, their Designated Contact; or
- In the case of Agents, the Vice President, Law.

Prior to granting approval, the Designated Contact or the approving Vice President must first confirm in each case that the gift or invitation is reasonable and that its acceptance would not create a real or apparent conflict of interest.



7. SPONSORSHIPS AND CHARITABLE DONATIONS

Where an Agent, Contractor, Market Participant or other third party wishes to sponsor an AESO activity, whether by invitation or voluntarily, the direction concerning the acceptance of gifts and invitations provided in section 6 of this AESO Code applies. These restrictions, however, do not apply to charitable donations for AESO-sponsored charity events.



8. OUTSIDE BUSINESS ACTIVITIES AND POLITICAL ACTIVITIES

This Section 8 only applies to Agents to the extent permissible by law.

8.1 Outside Business Activities

An outside business activity includes any business activity that you engage in outside of your relationship with the AESO, such as service as an officer, director, owner, partner, employee, volunteer, student, consultant or independent contractor with any for profit or non-profit organization or a government body, and self-employment.

You may engage in outside business activities, provided that such outside business activities do not:

- Cause a real or apparent conflict of interest;
- Appear to be an official act of the AESO or to represent an AESO opinion or policy;
- Interfere with your regular duties at the AESO; or
- Involve the use of the AESO's assets, unless such use is otherwise permitted by the AESO.

Prior to engaging in any outside business activity where there may be a real or apparent conflict of interest, you must notify in writing about the nature of the outside business activity and seek approval from:

- Your Designated Contact, in case of the CEO, Chair and Members; or
- Your Designated Contact and the Vice President, Law in the case of all other Employees and Agents.

You may only undertake an outside business activity if the Designated Contact and, where required, the Vice President, Law, are satisfied that it does not cause a real or apparent conflict of interest and approve your request in writing.

8.2 Offers of Future Employment

You must not allow the performance of your official duties at the AESO to be influenced by offers of future employment or the anticipation of offers of employment from third parties.

8.3 Political Activities

You may participate in political activities, including holding membership in a political party, supporting a candidate for elected office, or seeking elected office. However, you must not use your position or employment with the AESO to seek contributions for a political party or activity. In addition, your political activity must be clearly separated from your activities related to the AESO.

If you are planning to seek an elected federal, provincial, or municipal office, you must disclose your intention in writing to your Designated Contact and, in the case of Employees and Agents, you must also disclose your intention to the Vice President, Law. If you are elected to a federal, provincial, or municipal position (excluding school board members), you must resign from your employment, contract or appointment at the AESO effective the day you are elected.



9. COMPLAINTS ALLEGING A BREACH OF THIS AESO CODE

Everybody benefits from an atmosphere of respectful and ethical conduct. You must report a breach, or suspected breach, of this AESO Code by making a complaint in accordance with subsection 9.1 below. When reporting a breach, you must also follow the detailed instructions set out in the AESO's internal Complaints Procedure.

9.1 Making a Complaint

You must choose one of the below channels to make a complaint alleging a breach of this AESO Code:

- Your Designated Contact;
- Your AESO People & Culture Business Partner, where applicable;
- The Vice President, Law; or
- The Ethics Hotline (contact information is located under the Contact Us section on the AESO's external website), which may be used anonymously.

Any complaints alleging a breach of this AESO Code must be made in good faith (i.e., with honesty and without malice or ulterior motive).

You are prohibited from taking or threatening retaliatory action against an Employee, Member, or any other party that has, in good faith, made a complaint alleging a breach of this AESO Code, cooperated in an assessment or investigation of such a complaint, declined to participate in an act that would breach this AESO Code, or otherwise taken any action in accordance with this AESO Code.

9.2 Assessment

Upon the receipt of a complaint alleging a breach of this AESO Code, a complaint manager will be designated to perform an initial assessment to determine whether an investigation of the alleged breach is required. If the complaint manager determines that an investigation of an alleged breach is not warranted, the complaint will be closed.

9.3 Investigation

If investigating an alleged breach is warranted, the complaint manager will gather relevant evidence, which may include interviewing the individual who made the complaint and the individual alleged to have breached this AESO Code. The complaint manager may also engage witnesses, as necessary, to conduct a fair and effective investigation and may also seek a third party's assistance in investigating a complaint.

The complaint manager will inform the individual(s) alleged to have breached this AESO Code of the details of the complaint and provide them a reasonable opportunity to make a statement in relation to the alleged breach.

9.4 Resolution

On completing an investigation, the complaint manager will prepare a report with the investigation's findings and reasons for those findings, and if applicable, any recommendations or corrective action, including any disciplinary action, as appropriate.



10. COIA ADDITIONAL REQUIREMENTS FOR CHAIRS AND CEOS

Pursuant to the COIA, the obligations outlined in Schedule “A” in PART 1 apply to both the Chair and the CEO as “senior officials” and those outlined in Schedule “A” in PART 2 apply to the CEO as a “designated senior official”. These obligations are in addition to those contained elsewhere in this AESO Code and may apply a higher standard in certain circumstances. Where there is a conflict between the obligations contained in Schedule “A” and the obligations contained elsewhere in this AESO Code, the obligations contained in Schedule “A” will prevail.

In addition to those obligations set out in Schedule “A”, additional obligations that apply to the CEO as a “designated senior official”, and, where applicable, to a former CEO as a “former designated senior official”, are established under the COIA.

Where there is a conflict between the obligations contained in Schedule “A” and the obligations contained in the COIA for “senior officials” and “designated senior officials”, the obligations contained in the COIA will prevail.



11. INITIAL ATTESTATION AND ANNUAL TRAINING AND CONFIRMATION

You are required to attest to your familiarity and compliance with the AESO Code upon commencement of your employment, appointment or service with the AESO. Subsequently, you must, on an annual basis, complete AESO Code training and provide a written confirmation of compliance with the AESO Code in the previous year.



12. AESO CODE REVIEW AND APPROVAL

This AESO Code will be reviewed no less than every three (3) years by the Vice President, Law and any amendments, if required, will be approved by the AESO Board.



13. EFFECTIVE DATE AND NOTICE PERIOD FOR COMING INTO FORCE

This AESO Code will take effect on October 18, 2023, thirty days (30) days after it is published to the AESO’s website

Definitions



The capitalized terms set out below and used in this AESO Code have the following specific meanings:

- (a) **“AESO”** means the Independent System Operator, operating as the Alberta Electric System Operator;
- (b) **“AESO Board”** means the board of the AESO comprised of all of its Members;
- (c) **“AESO Code”** means the AESO Code of Conduct;
- (d) **“Agent”** means an individual, partnership, joint venture, corporation, or other entity that the AESO has authorized to act on the AESO’s behalf and to legally bind the AESO;
- (e) **“Common Law Partner”** means an adult interdependent partner as defined by the *Adult Interdependent Relationships Act* (Alberta);
- (f) **“CEO”** means the AESO’s President and Chief Executive Officer;
- (g) **“Chair”** means the Member designated by the Minister as the chair of the AESO Board;
- (h) **“COIA”** means the *Conflicts of Interest Act* (Alberta);
- (i) **“Contractor”** means an individual, partnership, joint venture, corporation, or other entity engaged by the AESO to provide goods or services to the AESO under a contract, and includes consultants, vendors and suppliers, but does not include Agents;
- (j) **“Department”** has the meaning given to such term in the COIA;
- (k) **“Designated Contact”** means:
 - (i) in the case of the Chair, the chair of the AESO Board committee responsible for governance matters;
 - (ii) in the case of a Member or the CEO, the Chair;
 - (iii) in the case of an Employee, the Employee’s immediate supervisor; and
 - (iv) in the case of an Agent, the Agent’s designated contact under their agreement with the AESO.
- (l) **“Employee”** means an individual who is an employee of the AESO;
- (m) **“Ethics Commissioner”** means the Ethics Commissioner appointed pursuant to the COIA;
- (n) **“EUA”** means the *Electric Utilities Act* (Alberta);
- (o) **“ISO Rules”** means the rules created pursuant to Section 20 of the EUA;
- (p) **“Market Participant”** means:
 - (i) any person, including an individual, unincorporated entity, partnership, association, corporation, trustee, executor, administrator or legal representative that supplies, stores, generates, transmits, distributes, trades, exchanges, purchases, or sells electricity, electric energy, electricity services, or ancillary services; or
 - (ii) any broker, brokerage, or forward exchange that trades or facilitates the trading of electricity, electric energy, electricity services, or ancillary services;

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- (q) **“Minister”** means the Minister determined under Section 16 of the *Government Organization Act* (Alberta) as the Minister responsible for the EUA;
- (r) **“Member”** means an individual appointed by the Minister, pursuant to the EUA, as a member of the AESO Board;
- (s) **“Private Interest”** does not include the following:
- (i) an interest in a matter that is of general application, that affects an individual as one of a broad class of the public, or that concerns the remuneration and benefits of an individual;
 - (ii) an interest that is trivial; or
 - (iii) an interest of an individual relating to Publicly-traded Securities held in a blind trust or in an investment arrangement;
- (t) **“Public Agency”** has the meaning given to such term in the COIA;
- (u) **“Publicly-traded Securities”** means:
- (i) Securities of a corporation that are listed or posted for trading on a recognized stock exchange; or
 - (ii) Securities of a corporation that has more than 15 shareholders and any of whose issued Securities were part of a distribution to the public;
- (v) **“Related Party”** means:
- (i) your Spouse or Common Law Partner;
 - (ii) your child or children or the child or children of your Spouse or Common Law Partner;
 - (iii) your close relative or a close relative of your Spouse or Common Law Partner;
 - (iv) a close personal friend of yours;
 - (v) a corporation of which:
 - A. you are a director or officer of the corporation; or
 - B. you own or control, directly or indirectly, any Securities (including a beneficial interest in such Securities) of the corporation, provided that, if the Securities are Publicly-traded Securities, you own more than ten percent (10%) of such Publicly-traded Securities;
 - (vi) a partnership of which you are a partner, or of which one of the partners is a corporation related to you by reason of (v);
 - (vii) a joint venture of which you are a co-venturer, or of which one of the co-venturers is a corporation related to which you are related you by reason of (v); or
 - (viii) a trust of which you are a trustee, or of which one of the trustees is a corporation to which you are related by reason of (v);
- (w) **“Securities”** means:
- (i) shares of any class or series of shares of a corporation; or
 - (ii) bonds, debentures, notes, or other evidence of indebtedness or guarantees of a corporation, whether secured or unsecured, but does not include shares or units in a mutual fund;
- (x) **“Spouse”** means the spouse of a married person, but does not include a spouse who is living separate and apart from the person if the person and spouse have separated pursuant to a written separation agreement or if their support obligations and family property have been dealt with by a court order; and
- (y) **“Vice President, Law”** means the AESO’s Vice-President, Law, General Counsel and Corporate Secretary.

Schedule “A”



PART 1

The Chair and the CEO

Prohibitions on Decisions Furthering Private Interests (COIA, S. 23.925)

Pursuant to section 23.925 of the COIA, the Chair and the CEO must not take part in a decision in the course of carrying out their office or powers knowing that the decision might further a Private Interest of the Chair or the CEO, a person directly associated with the CEO or Chair, or the CEO or Chair's minor or adult child.

The CEO and the Chair must not use their office or powers to influence or seek to influence a decision to be made by or on behalf of the Crown or a Public Agency to further a Private Interest of the CEO or the Chair, a person directly associated with the Chair or the CEO or a minor child of the Chair or the CEO or to improperly further any other person's Private Interest.

The Chair and the CEO must not use or communicate information not available to the general public that was gained by the Chair or the CEO in the course of carrying out their office or powers to further or seek to further a Private Interest of the Chair or the CEO or any other person's Private Interest.

The Chair and the CEO must appropriately and adequately disclose a real or apparent conflict of interest.

PART 2

The CEO

Outside Business Activities (COIA, S. 23.926 'Concurrent Employment')

Pursuant to section 23.926 of the COIA, the CEO must not be involved in any appointment, business, undertaking, or employment, including self-employment, other than their appointment as the CEO. This restriction does not apply in the event that:

- (a) the CEO applies to the Ethics Commissioner for approval in writing to engage in an appointment, business, undertaking, or employment, including self-employment, other than their appointment as the CEO; and
- (b) following such application, the Ethics Commissioner provides approval in writing, on any conditions that the Ethics Commissioner considers to be appropriate, that the Ethics Commissioner is satisfied that the appointment, business, undertaking or employment, including self-employment proposed will not constitute a real or apparent conflict of interest.

Alberta Electric System Operator

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Calgary, AB T2P 4H4
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www.aeso.ca



DATE OF LAST 3-YEAR REVIEW:
SEPTEMBER 14, 2023

DATE OF LAST MATERIAL AMENDMENT:
SEPTEMBER 14, 2023

DATE OF LAST NON-MATERIAL AMENDMENT:
OCTOBER 4, 2024