

June 21, 2022

To: The Market Surveillance Administrator, market participants and other interested parties (“Stakeholders”)

Re: **Alberta Electric System Operator Responses to Stakeholder Comments – Final Proposed Amendments to Section 202.6 of the ISO rules, Adequacy of Supply (“Section 202.6”)**

On October 1, 2021, the Alberta Electric System Operator (“AESO”) issued a Letter of Notice notifying Stakeholders of its proposed amended Section 202.6 and requesting Stakeholder comments on the proposed amendments.

AESO Responses to Stakeholder Comments

In accordance with Alberta Utilities Commission (“Commission”) Rule 017, *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, the AESO is providing replies to Stakeholder comments. The AESO’s responses to comments, including the AESO’s rationale or basis for its position, and an explanation for why certain positions were rejected or accepted, are set out in the *Stakeholder Comment and AESO Response Matrix*.

The AESO acknowledges Stakeholder concerns regarding transparency, oversight, and certainty surrounding the removal of the detailed calculations and methodologies from Section 202.6. In response to these concerns, the AESO is proposing further revisions to the Section 202.6 amendments to strike a balance between creating regulatory efficiency and ensuring transparency, oversight, and certainty for stakeholders. These further revisions place obligations on the AESO to:

- (i) conduct the supply adequacy forecasts in accordance with a prescribed methodology and to publish its forecasts;
- (ii) post the prescribed calculations and methodologies for the supply adequacy forecasts and assessment reports; and
- (iii) provide market participants an opportunity to provide feedback on any proposed changes to the calculations and methodologies underlying the forecasts and reports.

The AESO continues to propose moving the existing calculations and methodologies from Section 202.6 into an information document, except for the exclusion of wind and solar generation in current subsection 4(2)(b)(v), which, as mentioned in the AESO’s January 5, 2021 Letter of Notice, required reconsideration due to continued and sustained wind and solar penetration in Alberta. The AESO similarly proposes to omit the exclusion of wind and solar generation in current subsection 4(2)(c)(v).

If any further changes are proposed to the existing calculations and methodologies, the AESO will provide Stakeholders with an opportunity to provide feedback on such changes in accordance with the revised Section 202.6 amendments.

Application for Approval of the Final Proposed Amendments to Section 202.6

The AESO expects to submit its application for the proposed amended Section 202.6 with the Commission in mid-July 2022.

Related Materials

The following documents can be accessed on the Stakeholder Engagement page on the AESO website:

1. *Stakeholder Comments and AESO Response Matrix* on proposed amended Section 202.6;
2. Blackline and clean copies of proposed amended Section 202.6;
3. Blackline and clean copies of Section 306.5 of the ISO rules, *Generation Outage Reporting and Coordination*; and
4. Blackline and clean copies of Section 306.7 of the ISO rules, *Mothball Outage Reporting*.

If you have any questions, please submit them to rules_comments@aeso.ca.

Sincerely,

Jackie Gow

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