

July 28, 2021

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

**Re: Alberta Electric System Operator Reply to Stakeholder Comments – Administrative Amendments to Section 201.6 of the ISO Rules, *Pricing* (“Section 201.6”)**

On June 21, 2021, the Alberta Electric System Operator (“AESO”) issued a Letter of Notice notifying stakeholders of its proposed administrative amendments to Section 201.6 and requesting stakeholder comments on those proposed amendments. In response to the AESO’s request, Capital Power, Heartland Generation Ltd., and TransCanada Energy Ltd. submitted comments to the AESO.

### **AESO Replies to Stakeholder Comments**

In accordance with Section 11.3 of *Alberta Utilities Commission Rule 017, Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission* (“AUC Rule 017”), the AESO is providing replies to Stakeholder comments below.

All stakeholders that submitted comments were aligned and supportive of the proposed administrative amendments to Section 201.6. Stakeholders agreed with the issues identified in the Letter of Notice and the proposed consultation process and timelines.

However, the stakeholders that provided feedback recommended that the AESO also amend the reference price formula in Section 201.6 to include the applicable carbon price. The AESO considers this recommendation outside the scope of the current ISO rule development process. The objective of this current ISO rule amendment is to remove duplicative and unnecessary requirements, consolidate and streamline repetitive provisions, and correct any typographical errors in furtherance of the Government of Alberta’s Red Tape Reduction initiative. The AESO considers the inclusion of carbon pricing in the reference price formula to be a substantive change to Section 201.6. As such, it would require further internal review and stakeholder consultation to determine if a change is required.

Upon final review of the proposed administrative amendment to Section 201.6, the AESO discovered a typographical error in subsection 7(2) of Section 201.6. Specifically, “available transfer capacity” was stated instead of “available transfer capability”. The AESO will correct this in its application to the Alberta Utilities Commission (“Commission”).

### **Application for Approval of the Proposed Amended Section 201.6**

Pursuant to Section 12.1 of AUC Rule 017, the AESO considers it has adequately addressed stakeholder comments and expects to submit its application for approval of the proposed amended Section 201.6 to the Commission in July 2021.

If you have any questions, please submit them to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca).

Sincerely,

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