

November 28, 2019

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

Re: **Update Letter for Proposed New & Amended ISO Rules and AESO Consolidated Authoritative Documents Glossary (“CADG”) Terms and Definitions:**

- 1) **Section 202.6, *Adequacy of Supply*;**
- 2) **Section 202.7, *Markets Suspension or Limited Markets Operations*;**
- 3) **Section 302.1, *Real Time Transmission Market Constraint Management*;**
- 4) **AESO CADG Definition – “acceptable operational reason”;**
- 5) **AESO CADG Term & Definition – “constraint effective factor”;**
- 6) **AESO CADG Term & Definition – “downstream constraint side”;**
- 7) **AESO CADG Term & Definition – “transmission constraint”;**
- 8) **AESO CADG Term & Definition – “transmission constraint rebalancing”;**
- 9) **AESO CADG Term & Definition – “transmission market constraint”;** and
- 10) **AESO CADG Term & Definition – “upstream constraint side”**

collectively referred to as the “TCM Updates for EAS”.

## 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, which included the proposed Amended EAS Market Rules. 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 under the current energy-only market. The proposed TCM Updates for EAS essentially consist 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 TCM Updates for EAS amendments have been consulted on as part of the consultation for the Amended EAS Market Rules and 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
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

The proposed TCM Updates for EAS contain changes that reflect energy-only market requirements and provide additional clarity pertaining to transmission outages and distribution constraints, ensure alignment with certain ISO rules and definitions, remove requirements that are no longer needed, and incorporate administrative amendments.

The AESO considers 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 the TCM Updates for EAS, blacklines of which are attached for reference. If any Stakeholder has significant concerns with the AESO’s proposed next step, please communicate those concerns in writing to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca) prior to December 10, 2019.

**Attachments**

1. [Blackline version of Section 202.6, Adequacy of Supply](#)
2. [Blackline version of Section 202.7, Markets Suspension or Limited Markets Operations](#)
3. [Blackline version of Section 302.1, Real Time Transmission Market Constraint Management](#)
4. [Blackline version of CADG Terms and Definitions – TCM Updates for EAS Rules](#)

Sincerely,

*Alison Desmarais*

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Legal & Regulatory Affairs  
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