

June 16, 2011

Dear Market Participants and Other Interested Parties:

**Re: Update to the Alberta Electric System Operator (“AESO”) Approach to Implementing Wind Power Management Limitations in Alberta**

**Related Proposed Amendments to ISO OPP 515 *South Area Operation*, and Proposed New ISO OPP 526 *Anderson Area Operation***

### **Introduction**

On February 17, 2011, the AESO issued a letter to market participants setting out the background and strategic approach for implementing wind power management in Alberta, and made reference to achieving that objective by implementing amendments to regional ISO OPPs, specifically existing ISO OPP 515. The AESO has determined that an update to that letter would be of benefit to market participants to keep them apprised of developments.

### **Background**

On that same February 17, 2011 date, the AESO issued a Letter of Notice seeking market participant feedback on the attached proposed changes to the text of existing ISO OPP 515 which included the wind power ramp management provisions under Section 3.2. On March 22, 2011, the AESO posted the comments of market participants on the proposed OPP 515 changes.

As a result of the stakeholder comments received, the AESO has determined that a reconsultation is in order on proposed changes to existing ISO OPP 515. Accordingly, on June 16, 2011 the AESO issued a second Letter of Notice with further proposed revisions to ISO OPP 515 to address the stakeholder comments received on both the proposed transmission constraint management and wind power management provisions specified in the amendments to ISO OPP 515.

In its February 17, 2011 letter, the AESO also indicated that the AESO was currently developing new ISO OPP 526 *Anderson Area Operation*, to include the one wind aggregated generating facility that is currently outside the south Alberta area. The AESO is completing that task and has commenced consultations on proposed new ISO OPP 526 concurrently with the re-consultation on proposed changes to ISO OPP 515.

### **Effective Date**

The AESO is proposing the effective date for the wind power management provisions specified in proposed changes to ISO OPP 515 and proposed new ISO OPP 526 to be December 01, 2011, which is intended to align with the Alberta Utilities Commission confirmed effective date for new ISO rules Section 502.1 *Wind Aggregated Generation Facilities Technical Requirements*.

## Reform of the Regional ISO OPP "500" Series

The AESO currently uses the regional Operating Policies and Procedures ("ISO OPPs") making up the 500 Transmission Series ("ISO OPP 500 Series"), to manage known area constraints as they arise. The AESO will be amending these ISO OPPs to align the local area constraint management procedure steps with those set out in the newly approved ISO rules Section 9.4.1 *Real Time Transmission Constraint Management*. During the 2011 to 2012 period, the AESO is proposing to also redraft and relocate the ISO OPP 500 Series in accordance with the Transition of Authoritative Documents ("TOAD") project principles, which will result in additional changes to document formatting and language, and incorporate the consistent use of terminology.

The existing ISO OPP 500 Series is currently a combination of authoritative provisions, non-authoritative informational content and AESO system controller procedures. In the AESO's opinion, it would be of greater benefit to market participants if the authoritative and non-authoritative content was separated and relocated into the appropriate documents. Accordingly, the AESO is proposing to redraft and relocate the ISO OPP 500 Series content such that the proposed new successor ISO rules contained consistent authoritative content, the new supporting information documents contained consistent informational content and that the system controller procedures are relocated to reside in AESO internal system controller procedure manuals. Once the proposed new successor ISO rules came into effect the associated ISO OPPs would be removed in their entirety.

On May 24, 2011, the AESO initiated the reform process with the posting of a Letter of Notice requesting market participant comments on proposed new ISO rules Section 302.4 *Northwest Area Operation* which has been designed to replace existing ISO OPP 501 *Northwest Area Operation*. Once it has reviewed stakeholder comments on the proposed ISO rules Section 302.4, the AESO will be proceeding to schedule the redrafting of and consultation on all regional ISO OPP 500 series into the new ISO rules format, including both ISO OPPs 515 and 526.

Should you have any questions with respect to this letter, please feel free to contact Jacques Duchesne at (403) 539-2518.

Sincerely,

<Original signed by>

Kelly Gunsch  
Vice-President, Market Services