March 26, 2015

To: Market Participants and Interested Parties

Re: Consultation Letter - Proposed Amended Alberta Reliability Standard Definition "spinning reserve" ("Spinning Reserve Definition Amendment ").

Section 19 of the Transmission Regulation requires the Alberta Electric System Operator ("AESO") to consult with market participants likely to be directly affected by the AESO’s adoption or making of Alberta reliability standards, and also requires the AESO to forward proposed Alberta reliability standards to the Alberta Utilities Commission ("AUC") for review along with the AESO’s recommendation that the AUC approve or reject them.

Consistent with the AESO’s drafting principles for authoritative documents, the AESO has determined that it is appropriate for defined terms used in the Alberta reliability standards to go through the same consultation process as the Alberta reliability standards themselves. Accordingly, the AESO is providing notice and seeking comments from market participants on the attached proposed Spinning Reserve Definition Amendment.

Applicability

The proposed Spinning Reserve Definition Amendment is applicable to the AESO and market participants.

Background

On December 23, 2014, an amended definition for the term “spinning reserve” came into effect for the ISO rules. This definition was amended to allow for load pool assets to provide spinning reserve. The AESO is proposing that this definition be adopted for the Alberta Reliability Standards to ensure that spinning reserve from load pool assets is recognized as spinning reserve under the requirements of Alberta Reliability Standard BAL-002-WECC-AB-2, Contingency Reserve.

Summary of the Proposed Change

An amendment is proposed to the existing Alberta Reliability Standards definition for “spinning reserve” for incorporation into the AESO’s Consolidated Authoritative Document Glossary ("CADG").

Request for Comments from Market Participants

Please use the attached Market Participant Comment Matrix when submitting comments to the AESO on the proposed Spinning Reserve Definition Amendment. Only written comments will be considered in finalizing the proposed Spinning Reserve Definition Amendment.

Please ensure that comments provided with respect to the proposed Spinning Reserve Definition Amendment represent all interests within each market participant’s organization.

Please provide market participant comments or questions no later than April 24, 2015, to ars_comments@aeso.ca.

The AESO will be publishing all market participant comments received for industry review in April 2015. The AESO expects to publish the AESO’s replies to the comments with the final proposed Spinning Reserve Definition Amendment in May 2015.
Adherence to deadlines is essential to the integrity of the AESO’s consultation on the proposed Spinning Reserve Definition Amendment. As such, any market participant comments received after April 24, 2015 may not be published, replied to, or otherwise considered by the AESO.

If the AESO does not receive comments from market participants regarding the Spinning Reserve Definition Amendment, the AESO expects to forward the final proposed Spinning Reserve Definition Amendment to the AUC in June 2015 along with its recommendation that the AUC approve the final Spinning Reserve Definition Amendment, to become effective June 15, 2015.

**Attachments**

The following documents are attached:

1. Market Participant [Comment Matrix](#) for the proposed Spinning Reserve Definition Amendment.

Yours sincerely,

“Original Signed By”

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Attachments