



July 10, 2008

Dear Market Participants and Interested Parties:

**Re: Final Proposed Long Term Adequacy Rules**

Please find attached the ISO Rule changes being proposed for approval by the AESO Executive Rules Committee (“ERC”) on July 17, 2008. The proposed ISO Rule changes were initially distributed for consultation on April 9, 2008.

For your consideration, attached are the final proposed ISO Rule changes. The following grid is hyperlinked to provide assistance in directing you to the summary of the ISO Rule changes and the attachments.

<b>Rule Number</b>	<b>Description</b>	<b>Level</b>	<b>Most relevant stakeholder interest</b>
Rule 13	<a href="#">Long Term Adequacy</a>	I	All Market Participants and Interested Parties

The AESO is required to provide responses to market participant comments pursuant to Section 8 of the Alberta Utilities Commission (“Commission”) Rule 17. Click [here](#) to access the comment-response matrix for the proposed ISO Rule changes. Please be advised that the proposed ISO Rule has been amended after considering comments received from market participants.

Pursuant to Section 9 of Commission Rule 17, please note the following:

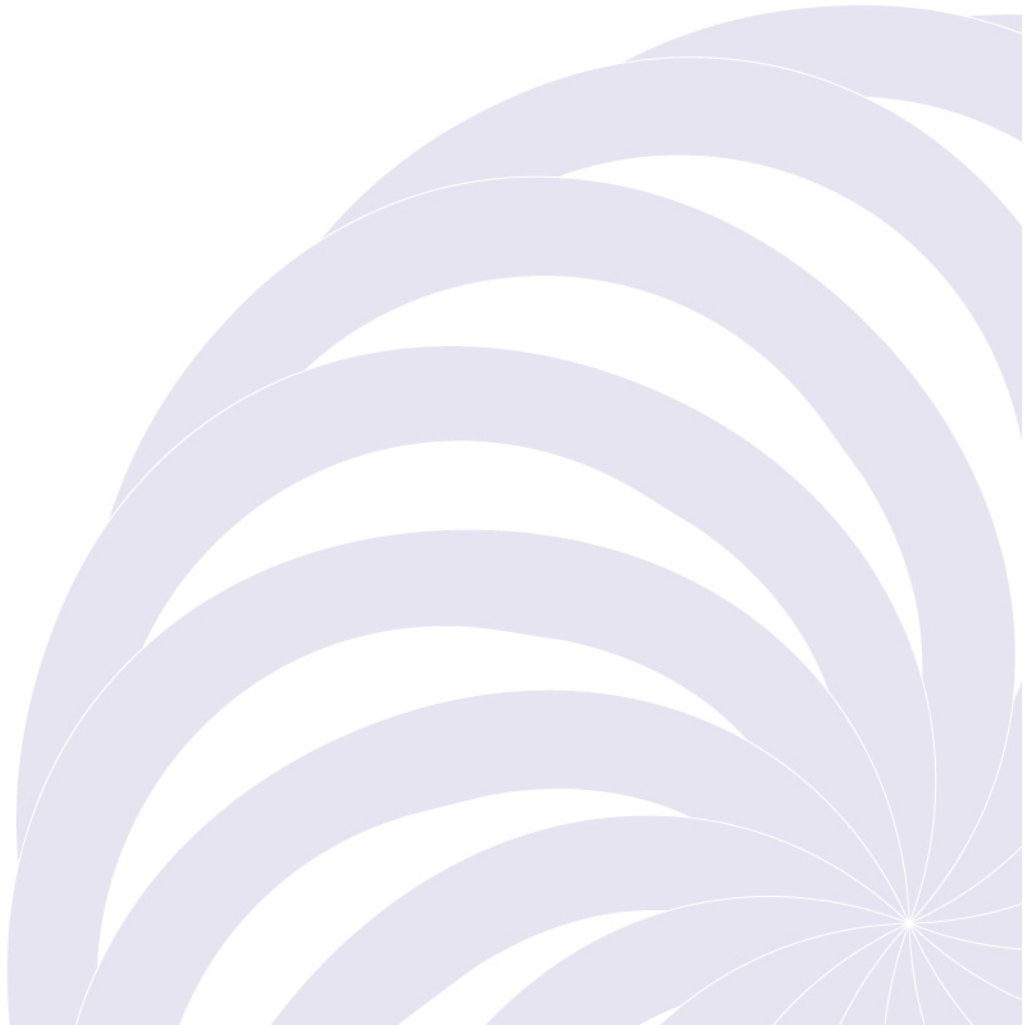
1. The AESO is expecting to file the ERC approved ISO Rule with the Commission on July 24, 2008;
2. Market Participants, as defined in the *Electric Utilities Act* (“EUA”), may object to an ISO Rule filed with the Commission within 10 days of the publication by the Commission of the notice of filing of the ISO Rule, in accordance with Section 20.4 of the EUA; and
3. The ISO Rule is proposed to be effective on the 10<sup>th</sup> day after the day on which notice of the ISO Rule is published by the Commission, in accordance with Section 20.3 of the EUA.



Yours sincerely,

*Original Signed By*

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## Final Proposed LEVEL I ISO Rule Changes

Level I changes are changes that have a significant operational or financial impact on the industry or the AESO. These changes typically require working group input and/or extensive stakeholder consultation to implement an effective solution.

<b>ISO Rule 13 - Long Term Adequacy</b>	
Rule Section/Number	<ol style="list-style-type: none"> <li>1. G1 Definitions - long term adequacy (LTA), LTA metrics, LTA threshold, LTA threshold actions, supply shortfall</li> <li>2. 3.5.3.1 - Submitting Offers</li> <li>3. 13 - LONG TERM ADEQUACY</li> </ol>
Reason for Change	The Alberta Department of Energy recommends that the ISO develop key indicators to monitor long term adequacy (“LTA”) and to provide an early-warning of adequacy issues in Alberta. If a shortage is forecast, the ISO is to have the authorization to implement out-of-market solutions. A new section 13 of the ISO Rules has been created which identifies the purpose of the rule, establishes LTA metrics to be published, creates a LTA threshold to be monitored based on one of the metrics and identifies threshold actions the ISO may take if the threshold is exceeded.
Confidential Provisions	None
Target Effective Date	The 10 <sup>th</sup> day after the day on which notice of the ISO Rules is published by the Commission.
AESO Contact	Market Services, Gordon Nadeau, <a href="mailto:gordon.nadeau@ieso.ca">gordon.nadeau@ieso.ca</a> , (403) 539-2568
From (Current Rule)	To (Proposal)

**See attached:**  
[Long Term Adequacy Rules \(blacklined\)](#)

**See attached:**  
[Long Term Adequacy Rules \(clean\)](#)