



October 9, 2008

Dear Market Participants and Interested Parties:

Re: Final Proposed Level II Changes to Existing Dispatching Dispatch Down Service Rule and Proposed Level II Changes to Existing Interconnection Dispatching and Related OPPs 301, 302

Please find attached the ISO and OPP Rule changes being recommended for approval by the AESO Executive Rules Committee (“ERC”) on October 16, 2008. The proposed ISO and OPP Rule changes were initially distributed for consultation on July 31, 2008.

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

Rule Number	Description	Level	Most relevant stakeholder interest
6.3.6.4	Dispatching Dispatch Down Service	II	All Market Participants
6.3.3	Interconnection Dispatching	II	All Market Participants
OPP 301	Alberta-BC Interconnection Scheduling	II	GFOs, TFOs, PPA Buyers, Wire Owners, load customers and Market Participants on the Alberta-BC Interconnection
OPP 302	Alberta-Saskatchewan Interconnection Scheduling	II	GFOs, TFOs, PPA Buyers, Wire Owners, load customers and Market Participants on the Alberta-BC Interconnection

The AESO is required to provide responses to market participant comments pursuant to Section 8 of the Alberta Utilities Commission (“Commission”) Rule 017. No written comments were received for the proposed ISO and OPP Rule changes.



Pursuant to Section 9 of Commission Rule 017, please note the following:

1. The AESO is expecting to file the ERC approved ISO and OPP Rule changes with the Commission on October 23, 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 and OPP Rules changes are proposed to be effective on November 13, 2008, in accordance with Section 20.3 of the EUA.

Yours sincerely,

Original Signed By

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Final Proposed LEVEL II ISO Rule Changes

Level II changes are changes that are expected to have a moderate or low impact on the industry or the ISO, and generally require little or no effort by stakeholders for implementing a solution. They are provided to stakeholders to review to ensure that the expected impact is reasonable, to identify unrealized impacts and/or to provide notice of the potential change in administrative processes.

ISO Rule 6.3.6.4 Dispatching Dispatch Down Service	
Rule Section/Number	Rule 6.3.6.4 – Dispatching Dispatch Down Service
Summary of ISO Rule	ISO Rule 6.3.6.4 outlines the requirements for market participants to be dispatched for Dispatch Down Service.
Summary of Amendment	<p>The amendment to ISO Rule 6.3.6.4 is required to provide clarity on the quantity of Dispatch Down Service (“DDS”) when dispatching DDS up to or down to the reference price in the energy market merit order.</p> <p>The following summarizes the amendments to the ISO Rule, as no such direction previously existed:</p> <p>The System Controller will dispatch DDS in accordance with ISO Rules 6.3.6.2 and 6.3.6.3. Notwithstanding ISO Rule 6.3.6.3 a), the quantity of the DDS dispatch may be less than the quantity determined in such rule during the following periods:</p> <p>a) The period of time when the system controller has dispatched up to the reference price in the energy market merit order, requiring operating blocks in the energy market merit order to</p>

	<p>be DDS dispatched off, prior to dispatching operating blocks that are greater than the reference price.</p> <p>b) The period of time when the system controller has dispatched down to the reference price in the energy market merit order requiring operating blocks in the energy market merit order to be DDS dispatched on, subject to rule 6.3.6.1 and 6.3.6.2.</p> <p>This proposed amendment to the ISO Rule requires no change to current operations.</p>
Level	II
Explanation of Confidentiality	None
Proposed Effective Date	November 13, 2008
AESO Contact	Market Services, Ruppa Minhas, ruppa.minhas@aeso.ca , (403) 539-2589 or
Attachments	<p>See attached – blacklined version. ISO Rule 6.3.6.4 – Dispatching Dispatch Down Service Rule (blacklined)</p> <p>See attached – clean version. ISO Rule 6.3.6.4 – Dispatching Dispatch Down Service Rule (clean)</p>



ISO Rule 6.3.3 Interconnection Dispatching

Rule Section/Number	New Definition: Wheel-Through Interchange Transaction Rule 6.3.3 – Interconnection Dispatching
Summary of ISO Rule	ISO Rule 6.3.3 outlines the requirements for market participants to engage in interchange transactions and wheel-through interchange transactions.
Summary of Amendment	<p>The proposed amendment to ISO Rule 6.3.3 is required to clarify an existing AESO process to allow for a wheel-through interchange transaction including the process involved if such a transaction is curtailed. A wheel-through interchange transaction is a transaction that is represented by a single e-tag and an import offer and an export bid of equal values, that crosses two or more control area boundaries, utilizes the Alberta Integrated Electric System (“AIES”), but does not have its associated energy consumed or produced in the AIES.</p> <p>The following summarizes the amendments to the ISO Rule:</p> <ol style="list-style-type: none"> 1. New definition for a wheel-through interchange transaction; 2. Energy restatement obligations in the event the e-tag for the wheel-through interchange transaction is curtailed; and 3. Requirement that wheel-through interchange transactions and interchange transactions are appropriately reconciled with the corresponding energy market asset’s available capability. <p>This proposed amendment to the ISO Rule requires no change to current operations.</p>



Level	II
Explanation of Confidentiality	None
Proposed Effective Date	November 13, 2008
AESO Contact	Market Services, Ron Smith, ron.smith@aeso.ca , (403) 539-2595
Attachments	<p>See attached – blacklined version. ISO Rule 6.3.3 - Interconnection Dispatching (blacklined)</p> <p>See attached – clean version. ISO Rule 6.3.3 - Interconnection Dispatching (clean)</p>



OPP 301 Alberta-BC Interconnection Scheduling

Rule Section/Number	Part 3, OPP 301 Alberta-BC Interconnection Scheduling
Summary of ISO Rule	OPP 301 describes the policies and procedures for the System Controller (“SC”) and the policies for market participants when scheduling interchange transactions on the Alberta-BC interconnection.
Summary of Amendment	Polices and procedures for wheel-through interchange transaction curtailment are developed in line with proposed amendments to ISO Rule 6.3.3.
Level	II
Explanation of Confidentiality	None
Proposed Effective Date	November 13, 2008
AESO Contact	Operating Policy and Procedures, Anita Lee, anita.lee@aeso.ca , (403) 539-2497
Attachments	<p>See attached – blacklined version. OPP301FINAL - blacklined</p> <p>See attached – clean version. OPP301FINAL - clean</p>



OPP 302 Alberta-Saskatchewan Interconnection Scheduling

Rule Section/Number	Part 3, OPP 302 Alberta-Saskatchewan Interconnection Scheduling
Summary of ISO Rule	OPP 302 described the policies and procedures for the System Controller (“SC”) and the policies for market participants when scheduling interchange transactions on the Alberta-Saskatchewan interconnection.
Summary of Amendment	Polices and procedures for wheel-through interchange transaction curtailment are developed in line with proposed amendments to ISO Rule 6.3.3.
Level	II
Explanation of Confidentiality	None
Proposed Effective Date	November 13, 2008
AESO Contact	Operating Policy and Procedures, Anita Lee, anita.lee@aeso.ca , (403) 539-2497
Attachments	<p>See attached – blacklined version. OPP302FINAL - blacklined</p> <p>See attached – clean version. OPP302FINAL - clean</p>