

Improvements to AESO Consultation Process for Rule Development

October 22, 2009

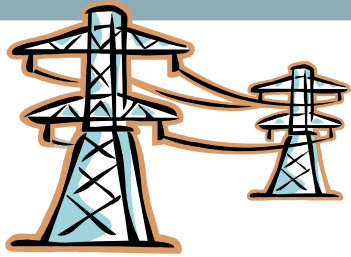
Reliable **Power**

Reliable **Markets**

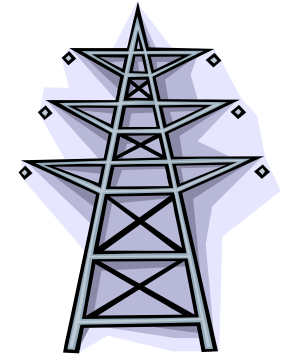
Reliable **People**



AESO Staff and Representatives



- Heidi Kirrmaier Vice President, Regulatory Services
- Jennifer Hocking Regulatory Legal Counsel
- Paul Glatthor Senior Coordinator, Rules
- Rob Senko Consultant
- Ally Taylor Account Manager – Corporate Communications
- Melissa Fortune Regulatory Process Coordinator



- Current AESO Rules Consultation practices are more or less aligned with proposed approach. However, the main **changes** being proposed are:
 - Process is to be documented
 - Participants are to have input into establishing the process up front
 - Consistency (to the extent possible) in consultation approach for all rules
 - Earlier formal initiation of in the consultation process (e.g. explicitly address policy interpretation where necessary as a separate and preliminary step before rule language drafting)

- Objectives of the improved consultation process are unchanged relative to the AESO's current approach to rules consultation, but the proposed changes are intended to enhance the likelihood the objectives will be realized:
 - To allow parties affected by a proposed rule to opportunity to provide input
 - To ensure the AESO makes the best decisions respecting rules as possible
 - To incite open exchange of information and positions and allow for evolution and change in views over the course of the process
 - To provide certainty to parties respecting which materials will be on or off the record in the event of an Objection

Objectives for Today's Session



- Review draft materials for improved rules consultation process
 - Draft ID (Information Document) posted on AESO website
October 1, 2009
- Solicit your ideas, identify issues we need to consider in process improvements

Objectives for Improved ISO Rule Consultation Process

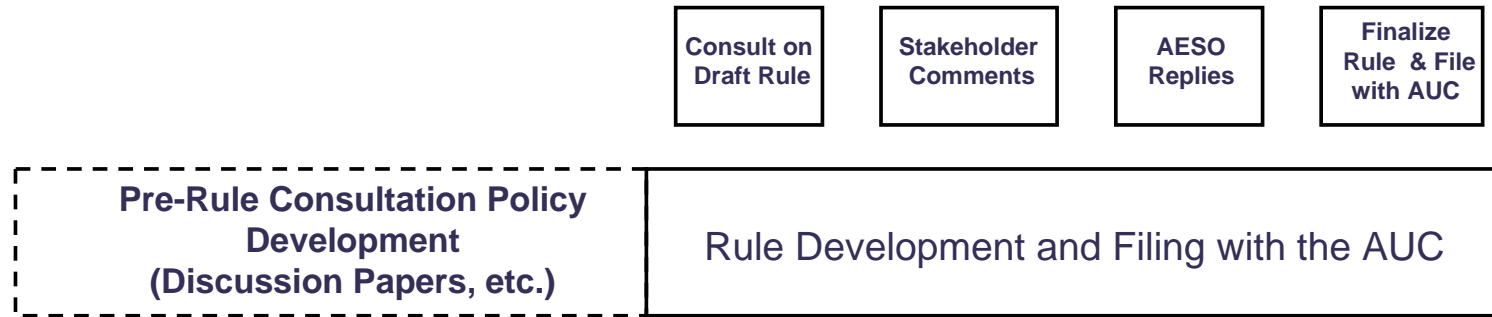


- Commence AESO consultation process as early as possible
- Enhanced opportunity for stakeholders to provide concerns or suggestions in consultation sessions and in writing and to share information with others
- Will allow the AESO to make the best decisions possible in the development of rules
- Increased stakeholder confidence that the consultation process is comprehensive, inclusive, transparent, fair and efficient
- Continue to meet regulatory obligations under AUC Rule 17

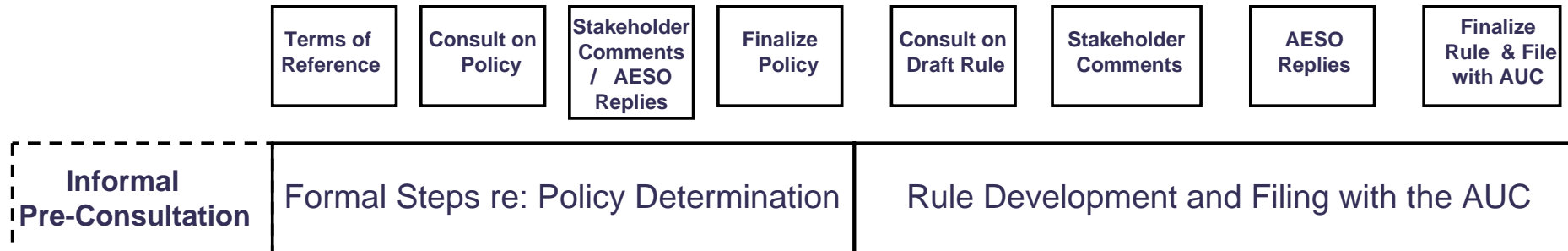
Overview of Rules Consultation Process



- **Existing Process**



- **Proposed Process**



Attributes of Proposed Improved Process



- Consultation process to be documented so all parties have a clear idea of how the process will unfold
- The AESO and stakeholders will agree to adhere to the process outlined in the Terms of Reference for a particular rule
- Consultation will begin as early as possible in the process, prior to formal development of a rule
- Stakeholders will be requested to submit a position letter at the end of the process
- It is expected that all parties (the AESO and stakeholders) may change their minds throughout the consultation process

Purpose of Draft Documents

ISO Principles for Consultation on Rules Development

- Overarching concepts to guide consultation
- Consultation is comprehensive, inclusive, transparent, fair, and efficient

Terms of Reference Template

- AESO and stakeholders will develop a specific Terms of Reference for each rule.
- “Game Plan” for consultation (e.g. schedules, issues)

ISO Rule Consultation Steps

- “Road Map” for how we get from concept to filing of rule with the AUC.
- Scope of process will depend on potential impacts, complexity, and urgency of the rule.



Highlights - ISO Principles for Consultation on Rules Development



- Process is comprehensive, inclusive, transparent, fair & efficient
- Full discussion of the views of stakeholders and the AESO
- Scope of process commensurate with the potential impacts, complexity & urgency of rule
- AESO and stakeholders to develop Terms of Reference for each rule (includes schedule of consultation)
- Consultation to begin early --in the policy development phase of rule making
- AESO information to be understandable, with adequate time to review
- Stakeholders will be able to provide written comments on AESO documentation

ISO Principles for Consultation on Rules Development Continued



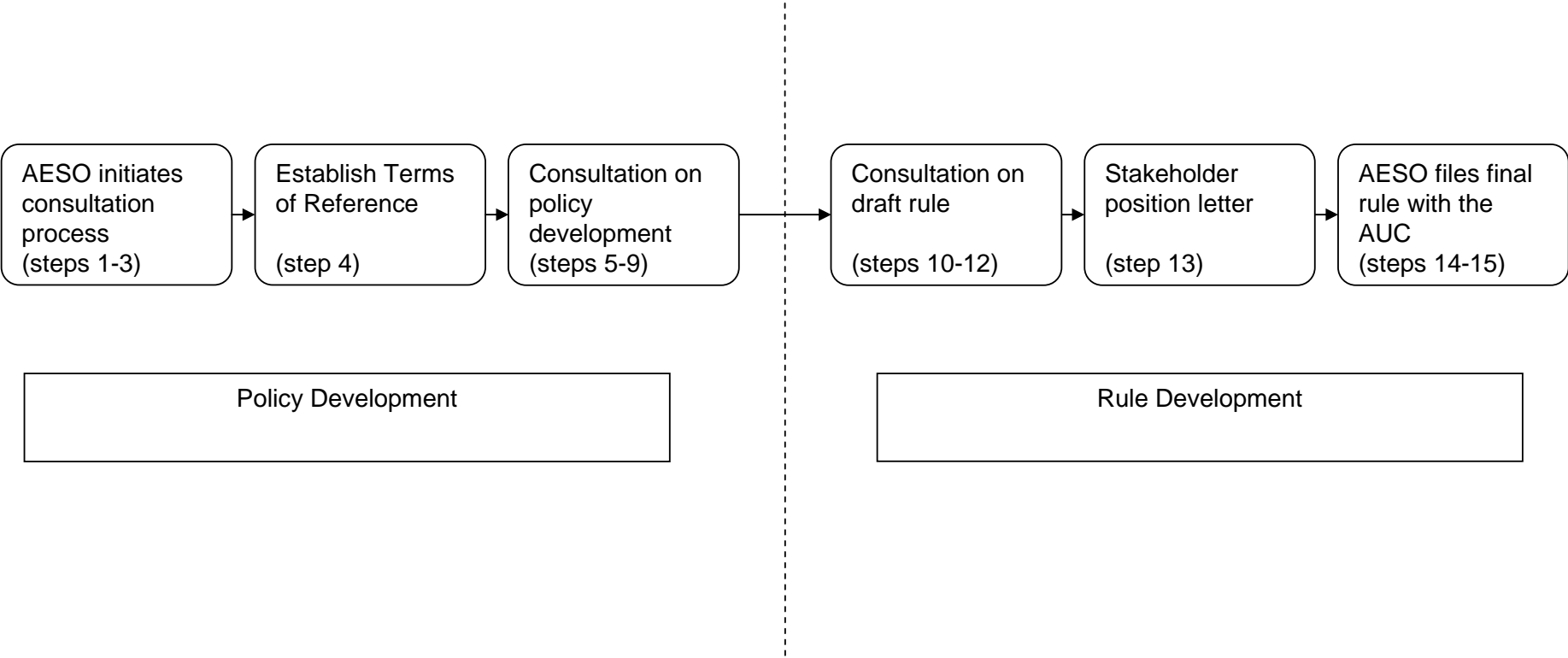
- Stakeholders commit to raise concerns or suggestions for improvement to the rule in writing
- Stakeholders commit to share information necessary for others to understand and evaluate their suggestions
- Stakeholder comments and AESO responses to be posted on AESO website
- Written comments, agendas, and action items, will be posted on the AESO website
- AESO will explain why suggestions were adopted or not adopted
- Interests of individuals must be balanced with safe and reliable operation of the Alberta Interconnected Electric System (AIES) and promotion of a fair, efficient, and openly competitive market (FEOC) for electricity
- AESO has legislative authority over final decision on rule development

Terms of Reference



- Outlines process for consultation for a specific rule
- Stakeholders to email AESO contact to indicate intention to participate in consultation process
- Stakeholders and AESO develop Terms of Reference together
- Explanation of need for the rule
- Preliminary identification of issues
- Develop a schedule –types of meetings and dates (e.g. working groups, technical conferences)
- Transparency: in general, documentation will be “on the record”
- As an exception, parties may agree that some documents may be “off the record” (e.g. early written statements by parties regarding initial positions)
- In general, agendas and action items from meetings to be posted on website
- Stakeholders and AESO agree to adhere to Terms of Reference

Highlights - ISO Rule Consultation Steps



Target Dates to Complete Process

Stakeholder consultation session (today)	Oct 22
Deadline for written stakeholder comments (send to: melissa.fortune@aeso.ca)	Oct 29
Post final documents to website	Nov 30
Implementation of Improved Process	Q1 2010



Questions?

- Questions
- Comments



aeso

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