



March 25, 2010

Dear Stakeholders:

**Re: Operating Reserves Market Redesign Recommendation Paper**

The AESO has released a revised [Operating Reserves Market Redesign Recommendation Paper](#) in response to feedback received on the January 2009 Recommendation Paper. Given the changes made to the recommendations, the AESO is soliciting stakeholder feedback on the revisions. The changes from the previous paper are:

- an active hourly product and removal of a selling logic for procuring shaping volume requirements;
- a standby hourly product and removal of a selling logic for procuring residual standby volume requirements;
- a clearing price model for the premium in the standby market;
- an inclusion for Operating Reserve (OR) providers that are less than 5 MW and a future role for aggregators;
- a refined trading schedule; and
- an update on the AESO's ability to accommodate third party asset substitution
- a phased approach to implementation of the redesign

As part of the phased implementation approach, the AESO is soliciting feedback on changes to the market within the existing design. These proposed changes include moving all volume to D – 1 in the existing design and improving transparency of OTC prices.

Comments on the revised recommendations should be sent to Kris Aksomitis [Kris.Aksomitis@aeso.ca](mailto:Kris.Aksomitis@aeso.ca). The deadline for comments on the paper is April 16<sup>th</sup> 2010.

Yours truly,

*“original signed by”*

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