

November 14, 2017

To: Market Participants and Other Interested Parties

Re: **Alberta Electric System Operator (“AESO”) Reply to Market Participant Comments – Proposed Amended ISO Rules:**

- a) **Section 205.3, Restatements for Operating Reserve (“amended Section 205.3”);**
- b) **Section 205.4, *Regulating Reserve Technical Requirements and Performance Standards* (“amended Section 205.4”);**
- c) **Section 205.5, *Spinning Reserve Technical Requirements and Performance Standards* (“amended Section 205.5”);**
- d) **Section 205.6, *Supplemental Reserve Technical Requirements and Performance Standards* (“amended Section 205.6”)**

**(collectively, the “proposed amended Operating Reserve Rules”)**

On September 28, 2017, the AESO issued a [Letter of Notice](#) regarding the proposed amended Operating Reserve Rules and requesting market participant comments on the same.

The AESO made amendments to the proposed amended Operating Reserve Rules in response to market participant comments received, which are reflected in the attached blacklines.

In addition, the AESO made clarifying amendments to the proposed amended Operating Reserve Rules, as follows:

- a tolerance range of plus or minus was incorporated into subsection 5 of proposed amended Section 204.5. This tolerance range is in existing Section 204.5, however was inadvertently missed during the drafting of proposed amended Section 205.4; and
- the word “must” was unbolded in subsection 3(1) of proposed amended Section 205.5.

### **AESO Replies to Market Participant Comments**

On October 19, 2017 and October 26, 2017 the AESO posted [written comments](#) and [late written comments](#) received, respectively, regarding the proposed amended Operating Reserve Rules. In accordance with Section 8 of Alberta Utilities Commission (“AUC” or “Commission”) Rule 017, the AESO is providing replies to market participant comments. The AESO’s replies to comments, including the rationale or basis for the position of the AESO that explains why certain positions were rejected or accepted, are set out in the attached Market Participant Comment and AESO Replies Matrices.

### **Filing of the Final Proposed amended Operating Reserve Rules**

The AESO expects to file the final proposed amended Operating Reserve Rules with the Commission on November 30, 2017.

In accordance with Section 20.4 of the *Electric Utilities Act* (“EUA”), market participants may object to an ISO rule filed with the Commission within ten (10) days of the publication of the Notice of Filing.

In accordance with Section 20.3 of the EUA, if no notice of objection is filed under Section 20.4, the final proposed amended Operating Reserve Rules are proposed to become effective on February 1, 2018.

#### **Attachments to AESO Reply Letter**

The following documents are attached:

1. [Market Participant Comments and AESO Replies Matrix on the proposed amended Section 205.4](#);
2. [Blackline](#) and [clean](#) copies of the final proposed amended Section 205.4;
3. [Market Participant Comments and AESO Replies Matrix on the proposed amended Section 205.5](#);
4. [Blackline](#) and [clean](#) copies of the final proposed amended Section 205.5;
5. [Market Participant Comments and AESO Replies Matrix on the proposed amended Section 205.6](#); and
6. [Blackline](#) and [clean](#) copies of the final proposed amended Section 205.6.

If you have any questions, please contact the undersigned.

Sincerely,

*"Maria Gray"*

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Attachments