

August 3, 2018

To: Market Surveillance Administrator, Market Participants and Other Interested Parties

Re: **Notice of Consultation Session for Set 1 of the ISO Rules for the Implementation of the Capacity Market**

The Alberta Electric System Operator (“AESO”) is posting notice of the consultation session for Set 1 of the draft ISO rules for the implementation of the capacity market (“Set 1 rules”).

Posting of Draft Set 1 ISO Rules

As mentioned during the AESO’s Stakeholder Engagement Session on July 26, 2018, the composition of Set 1 rules have changed from that included in the AESO’s July 17, 2018 notice. The Set 1 rules now include the rules set out below, drafts of which are available on the [AESO website](#):

Proposed ISO Rules for the Capacity Market

1. Section 103.10, *Capacity Payment Calculation*;
2. Section 201.10, *Capacity Market Participant Registration*;
3. Section 201.11, *Appointment of an Agent for the Capacity Market*;
4. Section 201.12, *Capacity Market Block Allocation*;
5. Section 201.13, *Capacity Market Clearing*;
6. Section 206.1, *Qualification of Capacity*;
7. Section 206.2, *Self-Supply Configurations*;
8. Section 206.4, *Offers and Bids for the Capacity Market*; and
9. Section 206.6, *Base Auction and Rebalancing Auction*

Proposed Amendments to Existing ISO Rules for the Energy Market

1. Section 202.7, *Markets Suspension or Limited Markets Operations*;
2. Section 301.2, *ISO Directives*;
3. Section 303.1, *Load Shed Service*;
4. Section 304.2, *Electric Motor Start Requirements*;
5. Section 304.8, *Event Analysis*;
6. Section 305.1, *Energy Emergency Alerts*;
7. Section 305.4, *System Security*;
8. Section 501.10, *Transmission Loss Factors*;
9. Section 502.9, *Synchrophasor Measurement Unit Technical Requirements*; and
10. Section 507.1, *Open Access Requirements for Proposed Inerties*

Invitation to Attend Consultation Session

Time: 9:00 a.m. - 3:00 p.m.
Date: August 15, 2018
Location: The Sheraton Eau Claire, Wildrose Ballroom
 255 Barclay Parade SW Calgary, AB T2P 5C2

This consultation session will be recorded and posted on the [Implementation of the Capacity Market](#) page on the AESO website for those unable to participate.

Notice of Intent to Participate

Notice of intent to participate in the consultation for the Set 1 rules must be submitted to the AESO on or before August 7, 2018 by email to rules_comments@aeso.ca.

RSVP to Consultation Session for Set 1

In addition to the AESO's previous request for a notice of intent to participate in this consultation process, please also RSVP via email to rules_comments@aeso.ca to attend the Set 1 session in person, providing names and titles of all representatives that will attend by August 10, 2018. Lunch will be provided for those attending in person.

Please [click here](#) to register for the webinar.

Draft Agenda for Consultation Session

During the consultation session, the AESO will provide an overview of the structure, content and organization of the Set 1 rules as they relate to aspects of Sections 2, 5, 6, 9 and 10 of the final Comprehensive Market Design Proposal.

A draft agenda for the consultation session is provided below. Stakeholders may provide feedback with respect to this agenda by sending an email to rules_comments@aeso.ca on or before August 7, 2018. The AESO will consider these requests and endeavor to accommodate them where possible.

Time	Agenda Item
9:00 – 9:15	Welcome, Introductions and Housekeeping
9:15 – 10:30	Comprehensive Market Design Section 2 rules & definitions: discussion re: purpose and structure of each proposed ISO rule: <ul style="list-style-type: none"> - <i>Qualification of Capacity</i> - <i>Capacity Market Participant Registration</i> - <i>Appointment of an Agent for the Capacity Market</i> - <i>Self-supply Configuration</i>
10:30 – 10:45	Break
10:45 – 11:00	Q& A on Comprehensive Market Design Section 2 ISO rules
11:00 – 12:00	Comprehensive Market Design Section 5, 6 & 9 rules & definitions: purpose and structure of each proposed ISO rule: <ul style="list-style-type: none"> - <i>Capacity Market Block Allocation</i> - <i>Capacity Market Clearing</i> - <i>Capacity Payment Calculation</i> - <i>Offers and Bids for the Capacity Market</i>
12:00 – 1:00	Lunch

Time	Agenda Item
1:00 – 1:45	Q&A on Comprehensive Market Design Section 5 & 6 ISO rules
1:45 – 2:30	Comprehensive Market Design Section 10 rules & definitions: purpose of amendments to existing ISO rules
2:30 – 3:00	Q&A on Comprehensive Market Design Section 10 ISO rules

Related Materials

Stakeholders may wish to review the following materials in advance of the consultation session for Set 1:

1. The AESO's [July 26, 2018 presentation](#) on the Development of ISO Rules for the Implementation of the Capacity Market;
2. The [Comprehensive Market Design](#) Final Proposal and Rationale;
3. [Design working group](#) materials; and
4. [Energy and Ancillary Services working group](#) materials.

Yours truly,

Pauline McLean

Director, Legal & Regulatory Affairs & Associate General Counsel