

New ISO Rule Proposal Process

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1. ISO Rule Proposal Process (35 minutes)

- Process Drivers and Objectives
- Process Overview

2. Questions (20 minutes)

Rule Consultation and Development Process, as required by AUC Rule 017, is not the focus of this presentation

Process Drivers and Objectives

- Section 20.81 of *Electric Utilities Act* requires the AESO to establish a process for market participants and interested parties to submit rule proposals
- Proponents can make proposals for:
 - new rules
 - amendments of existing rules
 - removals of existing rules
- Proponents are parties that complete and submit an ISO rule proposal form.

Process objectives

- Simple submission process
- Fair consideration of proposals
- Timely responses to proposals
- Transparent information
- Focused
 - Prioritize proposals for consultation
- Planned
 - Thoughtful use of AESO and industry resources for consultation

The AESO is committed to acting in the public interest

- Transparency is key to enable external stakeholders' review of past and current proposals along with the AESO's determinations
- Relevant material will be published:
 - ISO rule proposals
 - Supplementary information (e.g. Information Requests, analysis, etc.)
 - Proposal status
 - AESO determination
- To respect privacy, personal contact information will be redacted; however company names will be published

- Confidentiality of the proposal content may be requested
- AESO is a public body and subject to *Freedom of Information and Protection of Privacy Act* (FOIP Act)
- AESO may be requested to disclose information related to proposals
- Right of access is not absolute
 - FOIP recognizes several legitimate reasons to refuse access to information including harm to business and privacy interests
 - Proponent will be involved if a FOIP request is received
- AESO is committed to protecting information that qualifies for an exemption and releasing information that should be available

Process Overview

ISO rule proposal process overview

Proponent
completes and
submits the ISO
rule proposal
form

AESO publishes
proposal,
reviews the
proposal, and
may request
additional
information

AESO
determines
whether proposal
requires the
development of a
proposed rule

AESO notifies
the proponent
and publishes
determination

- Proposal form is simple:
 - Description of issue that proposed rule is intended to address, including the urgency and industry impacts
 - Proposal to address the issue including the purpose of the proposed rule
 - Identification of any related data or analysis that is relevant
 - Contact information
- No need to provide draft rule language
- External proposal form is posted on: [AESO.CA/Rules, Standards and Tariff/ISO Rule Proposals](https://www.aeso.ca/rules-standards-and-tariff/iso-rule-proposals)

- Proposals will be assessed in two steps
- Step 1 - review focused on specific proposal includes:
 - Whether the proposal is complete and if not, what type of information is needed
 - The scope of the proposed change and whether it could be bundled with another proposal
 - The merits of the proposal itself against criteria
- Step 2 – review of all active proposals includes:
 - Consistent application of criteria across all proposals
 - Determination of which proposals to approve for consultation
 - Prioritization based on relative merit, timing and resource considerations

Criteria to assess merits of proposals

- Legislation, Regulations, Government or AESO policy
 - System reliability
 - FEOC (Fair, Efficient, Openly Competitive)
- Compliance difficulties with existing ISO rule
- Broad impact to industry and consumers
- Economic or financial considerations
- Technology considerations or limitations

AESO determination for each proposal

- Proposals will be acknowledged by the AESO when they are submitted
- How long will it take for the AESO to reach its determination?
 - Targeting within 2-4 months of proposal submission
 - It depends on:
 - Complexity of each proposal
 - If additional information is needed to properly assess a proposal
 - Volume of proposals under consideration at any given time
 - Other Authoritative Document development work already underway (e.g. capacity market rules)
- If a proposal is taking longer to consider, updates will be sent to the proponent

- If a proposal is accepted:
 - The determination and rationale will be emailed to the proponent and published to AESO.CA
- Consultation notices will be published with either:
 - Specific consultation dates identified; or
 - Future consultation planned
- Timing of new consultations will be affected by:
 - Number, complexity and pace of ongoing consultations
 - Availability of AESO and industry resources
 - Timing considerations (i.e. proposed rule must be aligned with development of an Alberta Reliability Standard)

- If a proposal is rejected:
 - The determination and rationale will be emailed to the proponent and published to aeso.ca
 - If the proponent disagrees they may:
 - Consider why the proposal was rejected and resubmit the proposal with new information or perspective, if warranted
 - Use any other avenues the proponent may determine is appropriate under the ISO Rules or the relevant legislation

Next steps

- Publish more detailed process information and post on AESO.CA
- Monitor process to see if changes should be made

- ISO Rule Proposals page at AESO.CA
 - <https://www.aeso.ca/rules-standards-and-tariff/iso-rule-proposals/>
- For questions, key contacts are:
 - ISO rule proposal process
 - Marcella Matzeit, Manager –Governance Services
 - marcella.matzeit@aeso.ca / 403-539-2929
 - ISO rule development
 - Gillian Barnett, Legal Manager – ISO Rules
 - gillian.barnett@aeso.ca / 403-538-3432

Questions



Thanks!