

March 28, 2019

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

Re: Letter of Notice for Feedback on the Content of the Proposed New ISO Rule – “Waivers and Variance Rule”

Pursuant to Section 6 of Alberta Utilities Commission Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, the Alberta Electric System Operator (“AESO”) is providing notice and seeking feedback from the Market Surveillance Administrator, market participants, and other interested parties (“Stakeholders”) on the development of proposed new Waivers and Variances ISO rule.

Issue

The AESO is seeking to more effectively address requests for waivers and variances to the Division 502 ISO rules.

Objectives

The next step of the consultation process is seeking feedback on the content of the proposed new Waivers and Variance Rule. Specifically, the AESO is seeking feedback on:

- (a) applicability;
- (b) scope;
- (c) grounds for requesting a waiver and variance;
- (d) criteria for evaluating a request;
- (e) submission of information;
- (f) evaluation process;
- (g) content of a waiver or variance;
- (h) ongoing management of a granted waiver or variance;
- (i) confidentiality of requests and decisions
- (j) treatment of waivers and variances language in current ISO rules;
- (k) other; and
- (l) content of an information document.

Background

The AESO has authority under subsection 20(1)(j) of the Electric Utilities Act to make ISO rules respecting “the granting of exemptions from the rules, and setting out the process for obtaining an exemption”. At present, the AESO has included language in certain ISO rules, primarily in Division 502, to allow the AESO to approve of material variances in a project’s functional specifications. While this authority addresses a subset of requests for waivers and variances, not all projects have functional specifications and further, the AESO does not generally re-issue functional specifications after a project is energized.

The AESO has recently received a number of requests for waivers and variances that it was not able to consider because a variation to the functional specifications was not an option in the specific scenarios. A preliminary analysis by the AESO suggests that in many of these circumstances, the issue of functional specifications aside, it may have otherwise been appropriate to consider the technical merits of the request. The AESO is looking to review the matter of waivers and variances and, as appropriate, develop a more suitable process.

Consultation Completed to Date

- Stakeholder Consultation Session, February 4, 2019

Stakeholder Comments

Please use the *Stakeholder Comment Matrix – Proposed Content for a Waiver and Variance Rule*, when submitting comments to the AESO. Stakeholders should ensure that comments provided represent all interests within their organization.

The deadline for Stakeholders to provide comments is April 12, 2019, to rules_comments@aeso.ca. Adherence to deadlines is essential to the integrity of the comment process, and as such, the AESO may choose not to consider any Stakeholder comments received after the deadline.

The AESO will publish all Stakeholder comments received on the AESO website in April 2019.

Related Materials

1. [Stakeholder Comment Matrix](#) – *Proposed Content for a Waiver and Variance Rule* for the proposed new Waivers and Variances ISO rule.

Sincerely,

<original signed by>

Melissa Mitchell-Moisson
Regulatory Administrator
Legal & Regulatory Affairs
rules_comments@aeso.ca