

August 22, 2017

To: Market Participants and Other Interested Parties

Re: **Letter of Notice – Re-consultation on Proposed Amended Section 202.5, Supply Surplus (“amended Section 202.5”)**

Pursuant to Section 2 of Alberta Utilities Commission (“AUC” or “Commission”) Rule 017, the Alberta Electric System Operator (“AESO”) is providing notice and seeking feedback from market participants and other interested parties on the attached revisions to proposed amended Section 202.5.

Applicability

The proposed amended Section 202.5 is applicable to:

- (a) a pool participant; and
- (b) the AESO.

Background

On April 7, 2017, the AESO issued a [Letter of Notice](#) regarding the proposed new and amended Wind, Solar, AGF and DER Rule Amendments, of which proposed amended Section 202.5 was consulted on as a part of.

On May 11, 2017 and May 25, 2017 [market participant comments](#) and [late market participant comments](#) received, respectively, on the Wind, Solar, AGF and DER Rule Amendments were posted on the AESO website. In its August 22, 2017 [AESO Reply to Market Participant Comments letter](#) the AESO provided replies to all market participant comments received regarding proposed amended Section 202.5.

Having reviewed stakeholder comments received, the AESO has decided not to proceed with the proposed amendments to subsection 2(1) of proposed amended Section 202.5, which reflected a change to the timing for the start of a supply surplus event. Under proposed amended Section 202.5 consulted on as part of the Wind, Solar, AGF and DER Rule Amendments package, a supply surplus event would start when the in merit electricity supply consists of only inflexible blocks of \$0 offers. Proposed amended Section 202.5 maintains the approach in existing Section 202.5 that a supply surplus event would start when the in merit electricity supply consists of multiple \$0 offers.

Proposed amended Section 202.5 is being issued for re-consultation to seek feedback from market participants and other interested parties on the attached revisions to proposed amended Section 202.5. In order to allow for re-consultation on these proposed revisions, the AESO has separated proposed amended Section 202.5 from the Wind, Solar, AGF and DER Rule Amendments package being filed with the Commission as described in the [Expedited Letter of Notice](#) issued by the AESO on August 22, 2017.

Additional clarifying amendments have been made to proposed amended Section 202.5 as shown in the attached blackline.

Defined Terms

When reviewing the attached proposed amended Section 202.5, market participants should note that all defined terms appear in **bold**. Market participants are encouraged to refer to the AESO's [Consolidated](#)

[Authoritative Documents Glossary](#) when reviewing proposed amended Section 202.5 to ensure they have an accurate understanding of those defined terms.

Request for Comments

Please use the attached Market Participant Comment Matrix when submitting comments to the AESO. Only written comments will be considered in finalizing the proposed amended Section 202.5. Market participants should ensure that comments provided represent all interests within their organization. The scope of comments is limited to the proposed amended Section 202.5. Any comments received that are outside of this scope will not be considered by the AESO.

Market participants are asked to provide comments no later than **September 11, 2017**, to rules_comments@aeso.ca. Adherence to deadlines is essential to the integrity of the ISO rules comment process. As such, any market participant comments received after September 11, 2017, may not be published, replied to, or otherwise considered by the AESO.

The AESO will be publishing all comments received for industry review in September 2017. The AESO expects to publish replies to the comments with the final proposed amended Section 202.5 in November 2017.

If no comments are received by the AESO regarding the revisions to proposed amended Section 202.5, the AESO will proceed, pursuant to AUC Rule 017, to file the final proposed amended Section 202.5 with the Commission no sooner than three days after the deadline for comments as specified in this Letter of Notice.

In accordance with Section 20.4 of the *Electric Utilities Act*, market participants may object to ISO rules filed with the Commission within 10 days after publication of the Notice of Filing.

Attachments to Letter of Notice

In accordance with Section 4 of AUC Rule 017, the following documents are attached:

1. [Blackline](#) and [clean](#) copies of the proposed amended Section 202.5; and
2. [Copy of the Market Participant Comment Matrix](#) for the proposed amended Section 202.5.

Sincerely,

“Original Signed By”

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Attachments