

May 24, 2018

To: Market Participants and Other Interested Parties

**Re: Letter of Notice – Expedited Amended Section 306.7 of the ISO Rules, *Mothball Outage Reporting* (“Section 306.7”)**

Pursuant to Section 14 of Alberta Utilities Commission (“AUC” or “Commission”) Rule 017, the Alberta Electric System Operator (“AESO”) is providing notice regarding the expedited amended Section 306.7.

**Applicability**

The expedited amended Section 306.7 is applicable to:

- (a) a pool participant with a generating source asset with a maximum capability of five MW or higher;
- (b) the legal owner of a source asset described in subsection 1(a); and
- (c) the AESO.

**Background**

On March 16, 2018 the Market Surveillance Administrator (“MSA”) filed a complaint regarding Section 306.7 of the ISO rules, *Mothball Outage Reporting*<sup>1</sup> (“MSA complaint”). In response to the MSA complaint, and after discussions with the MSA and interveners registered in Proceeding 23427, the AESO has amended Section 306.7. The AESO is filing amended Section 306.7 on an expedited basis in order for there to be a timely resolution of the MSA complaint and to provide certainty to market participants.

Section 306.7 has been amended to incorporate new subsection 4, *Attestation* which requires a pool participant who has provided notification to the AESO of a mothball outage or an extension to the duration or increase in MW of the mothball outage to provide an attestation to the AESO from a corporate officer in relation to the following:

1. That forecast market prices and market conditions, based on its reasonable assessment, are insufficient to recover avoidable costs for the source asset for the duration of the mothball outage at the time the attestation is provided; and
2. That the mothball outage will be cancelled if, based on its reasonable assessment, forecast market prices and market conditions become sufficient to recover avoidable costs for the source asset for the remainder of the mothball outage.

The attestation is to be provided to the AESO at the time of the initial notification as well as 3 months prior to the mothball outage starting, if the notification was submitted prior to that 3 month period. Such requirement to provide an attestation when notification is received by the AESO after May 28, 2018 is intended to apply to new mothball outages, and any extensions or MW increases for existing mothball outages. For pool participants who have previously provided notice to the AESO of mothball outages that are not planned to start within the next 3 months of the effective date of amended Section 306.7, such pool participants will be required to submit an attestation 3 months prior to the mothball outage starting.

Additional clarifying amendments have been made to amended Section 306.7 as shown in the attached blackline.

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<sup>1</sup> AUC Proceeding 23427, MSA Complaint re Section 306.7 of the ISO Rules.

## **AESO Consultation**

The AESO held two sessions with the MSA and interveners registered in Proceeding 23427 on April 24, 2018 and May 10, 2018 to discuss the proposed amendments to Section 306.7 in response to the MSA complaint. Comments received from attendees of the session were generally in support of the AESO's approach to the amended Section 306.7.

## **Effective Date**

In accordance with Section 20.6 of the *Electric Utilities Act*, the expedited Section 306.7 will become effective on May 28, 2018, the date of filing.

## **Attachments to Letter of Notice**

In accordance with Section 14 of AUC Rule 017, the following documents are attached:

1. Blackline and clean copies of Section 306.7.

Sincerely,

*"Maria Gray"*

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Attachments