

January 23, 2019

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

Re: Revised Proposed New and Amended ISO Rules and Terms and Definitions for the Implementation of the Capacity Market (“Capacity Market Rules and Definitions”)

Further to its November 29, 2018 [reply to stakeholder comments](#), the Alberta Electric System Operator (“AESO”) is posting revised versions of the proposed Capacity Market Rules and Definitions. The AESO is also posting blacklines between: (a) the revised versions of the Capacity Market Rules and Definitions and the versions posted for stakeholder comment on October 22, 2018; and (b) the revised versions of the existing Capacity Market Rules and Definitions and the versions that are currently in effect.

The revisions reflected in the attached versions of the proposed new and amended Capacity Market Rules and Definitions have primarily been made in response to stakeholder comments, to align with legislation, the newly released *Capacity Market Regulation* and other amended regulations, to improve the clarity and consistency of provisions and to include additional implementation detail.

Please note that the following proposed Capacity Market Rules and Definitions are not attached and will be posted on January 24, 2019:

1. Proposed New ISO Rules Terms and Definitions for the Capacity Market;
2. Proposed New, Amended and Removed Energy and Ancillary Services Markets Terms and Definitions;
3. Section 206.3, *Uniform Capacity Value Determination*;
4. Section 206.4, *Offers and Bids for Capacity*; and
5. Section 206.8, *Obligation Period Performance Assessments*;

Please also note that Section 103.13, *Request for Reconsideration* has been removed from the proposed Capacity Market Rules and Definitions. The AESO has determined that Section 103.13 is no longer required as the content is included in the recently issued *Capacity Market Regulation*.

Defined Terms

When reviewing the attached proposed Capacity Market Rules and Definitions, stakeholders should note that all defined terms appear in **bold**. Market participants are encouraged to refer to the AESO’s [Consolidated Authoritative Documents Glossary](#) (“CADG”) when reviewing the proposed Capacity Market Rules to ensure they have an accurate understanding of those defined terms.

Attachments to Letter of Notice

The following documents are attached:

1. Clean versions of the revised new and amended Capacity Market Rules and Definitions;

2. Blacklines between the revised versions of the Capacity Market Rules and Definitions and the versions posted for stakeholder comment on October 22, 2018; and
3. Blacklines between the revised versions of the existing Capacity Market Rules and Definitions and the versions that are currently in effect.

Yours truly,

Pauline McLean

Director, Legal & Regulatory Affairs & Associate General Counsel