

August 31, 2018

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

Re: **Notice of Consultation Session for Set 2 of the ISO Rules for the Implementation of the Capacity Market**

The Alberta Electric System Operator (“AESO”) is posting notice of the consultation session for Set 2 of the draft ISO rules for the implementation of the capacity market (“Set 2 rules”).

### **Posting of Draft Set 2 ISO Rules and Defined Terms**

The composition of the Set 2 rules has changed from that included in the AESO’s July 17, 2018 notice and now includes the ISO rules set out below, drafts of which are available on the [AESO website](#).

Please be advised that certain Set 2 rules may include content that was not included in CMD Final. Such content has been identified during the rule drafting process as being required to facilitate implementation of the capacity market. The AESO intends to discuss this content during the Set 2 Consultation Sessions. Additionally, a number of Set 1 rules, identified below, have been amended since their release on August 3, 2018 to incorporate content that has been identified during the Set 2 rule drafting process.

### **Proposed New ISO Rules and Defined Terms for the Capacity Market**

1. Section 103.9, *Capacity Market Financial Settlement*;
2. Section 103.11, *Capacity Market Financial Security Requirements*;
3. Section 103.13, *Request for Reconsideration*;
4. Section 201.10, *Capacity Market Participant Registration* - Amended for Set 2;
5. Section 201.13, *Capacity Market Clearing* - Amended for Set 2;
6. Section 201.14, *Capacity Market Offer Control Information*;
7. Section 201.15, *Delisting*;
8. Section 206.1, *Qualification of Capacity* - Amended for Set 2;
9. Section 206.2, *Self-Supply* - Amended for Set 2;
10. Section 206.3, *Uniform Capacity Value Determination*;
11. Section 206.4, *Offers and Bids for Capacity* - Amended for Set 2;
12. Section 206.5, *Forward Period Milestone Assessment*;
13. Section 206.7, *Capacity Market Mitigation*;
14. Section 206.8, *Obligation Period Performance Assessments*;
15. Section 206.9, *Asset Substitution*;

16. Section 206.10, *Volume Reallocation*;
17. Section 206.11, *Energy and Ancillary Services Offset for Assets*; and
17. Set 1 and 2 Capacity Market Terms and Definitions.

Note, existing Section 306.7 of the ISO rules, *Mothball Outage Reporting* will be removed when new Section 201.15 of the ISO rules, *Delisting* comes into effect.

### **Proposed New and Amended ISO Rules and Defined Terms for the Energy Market**

1. Section 103.3, *Financial Security Requirements*;
2. Section 201.1, *Pool Participant Registration*;
3. Section 201.3, *Energy Market Offer Control Information*;
4. Section 201.4, *Energy Market Submission Methods and Coordination*;
5. Section 201.5, *Energy Market Block Allocation*;
6. Section 201.6, *Energy Market Pricing*;
7. Section 201.7, *Dispatches*;
8. Section 202.3, *Issuing Dispatches for Equal Prices*;
9. Section 202.5, *Supply Surplus*;
10. Section 202.6, *Adequacy of Supply*;
11. Section 203.1, *Offers and Bids for Energy*;
12. Section 203.2, *Issuing Dispatches for Energy*;
13. Section 203.3, *Energy Restatements*;
14. Section 203.4, *Delivery Requirements for Energy*;
15. New Section 203.5, *Energy Market Mitigation*;
16. Section 203.6, *Market Requirements for Interchange Transactions*;
17. Section 204.2, *Issuing Dispatches for Dispatch Down Service*;
18. Section 302.1, *Real Time Transmission Constraint Management*;
19. New Section 303.2, *Available Transfer Capability*;
20. New Section 303.3, *Intertie Path Operations*;
21. Section 304.9, *Wind and Solar Aggregated Generating Facility Forecasting*;
22. Section 306.3, *Load Planned Outage Reporting*;
23. Section 306.4, *Transmission Outage Reporting and Coordination*;

- 24. Section 306.5, *Generating Outage Reporting and Coordination*;
- 25. New Section 306.9, *Outage Cancellation*;
- 26. New Section 306.8, *Load Asset with a Capacity Commitment Outage Reporting and Coordination*;
- 27. Section 502.8, *SCADA Technical and Operating Requirements*;
- 28. Section 505.2, *Performance Criteria for Refund of Generating Unit Owner's Contribution*; and
- 29. Set 2 New and Amended Energy and Ancillary Services Markets Definitions.

### **Invitation to Attend Consultation Sessions**

#### **Set 2, Session 1**

**Time:** 8:30 a.m. – 4:30 p.m.

**Date:** September 11, 2018

**Location:** The Westin Calgary  
Ballroom  
320 4<sup>th</sup> Avenue SW  
Calgary, AB

#### **Set 2, Session 2**

**Time:** 8:30 a.m. – 2:00 p.m.

**Date:** September 12, 2018

**Location:** The Westin Calgary  
Nakiska Room  
320 4<sup>th</sup> Avenue SW  
Calgary, AB

These consultation sessions will be recorded and posted on the [Implementation of the Capacity Market](#) page on the AESO website for those unable to participate.

### **Notice of Intent to Participate**

Intent to participate in the Set 2 consultations will be acknowledged as received for Stakeholders who previously submitted a notice of intent to participate in the consultation for the Set 1 rules.

If you would like to take part in the consultation sessions for the ISO Rules for the Implementation of the Capacity Market but have not already submitted a notice of intent to participate, please do so to the AESO by September 5, 2018 by email to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca) with “Notice of Intent to Participate” in the subject line.

### **RSVP to Consultation Session for Set 2**

To attend the Set 2 session(s) in person, please RSVP via email to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca) with “RSVP” and the date(s) of the session(s) you will attend in the subject line. Please also provide names and titles of all representatives that will attend. Please submit RSVPs by September 7, 2018. Lunch will be provided.

## Webinar Session

September 11, 2018 Day 1 Session

Please [click here](#) to register for the webinar by September 7, 2018.

September 12, 2018 Day 2 Session

Please [click here](#) to register for the webinar by September 7, 2018.

## Draft Agenda for Consultation Session - September 11, 2018

During the consultation session, the AESO will provide an overview of the structure, content and organization of the Set 2 rules as they relate to aspects of Sections 2, 3, 5, 6, 7, 8 and 9 of the final Comprehensive Market Design Proposal.

A draft agenda for the consultation session is provided below. Stakeholders may provide feedback with respect to this agenda by sending an email to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca) on or before September 7, 2018. The AESO will consider these requests and endeavor to accommodate them where possible.

Time	Agenda Item
8:30 – 9:00	Welcome, Introductions and Housekeeping
9:00 – 9:15	Revisions to Set 1 rules for Comprehensive Market Design Sections 2, 5 and 6 <ul style="list-style-type: none"> <li>- <i>Qualification of Capacity</i></li> <li>- <i>Capacity Market Participant Registration</i></li> <li>- <i>Self-supply Configuration</i></li> <li>- <i>Capacity Market Clearing</i></li> <li>- <i>Offers and Bids for the Capacity Market</i></li> </ul>
9:15 – 9:45	Q&A on revisions to Set 1 rules
9:45 – 10:15	Comprehensive Market Design Section 3 rule & definitions: discussion re: purpose and structure of proposed ISO rule <ul style="list-style-type: none"> <li>- <i>UCAP</i></li> </ul>
10:15 – 11:00	Q&A on Comprehensive Market Design UCAP rule
11:00 – 11:15	Break
11:15 – 11:45	Comprehensive Market Design Section 2 rule & definitions: discussion re: purpose and structure of proposed ISO rule <ul style="list-style-type: none"> <li>- <i>Delisting</i></li> </ul>
11:45 – 12:30	Q&A on Comprehensive Market Design Delisting rule
12:30 – 1:15	Lunch
1:15 – 1:45	Comprehensive Market Design Section 7 rule & definitions: discussion re: purpose and structure of proposed ISO rule <ul style="list-style-type: none"> <li>- <i>Capacity Market Monitoring and Mitigation</i></li> <li>- <i>Capacity Market Offer Control Information</i></li> </ul>
1:45 – 2:30	Q&A on Comprehensive Market Design Section 7 rules
2:30 – 2:45	Break

Time	Agenda Item
2:45 – 3:30	Comprehensive Market Design Sections 8 and 9 rules & definitions: discussion re: purpose and structure of proposed ISO rules <ul style="list-style-type: none"> <li>- <i>Forward Period Milestone Assessment</i></li> <li>- <i>Financial Settlement</i></li> <li>- <i>Financial Security</i></li> <li>- <i>Performance Obligations</i></li> <li>- <i>Asset Substitution</i></li> <li>- <i>Volume Reallocation</i></li> </ul>
3:30 – 4:30	Q&A on Comprehensive Market Design Sections 8 and 9 rules

### Draft Agenda for Consultation Session - September 12, 2018

During the consultation session, the AESO will provide an overview of the structure, content and organization of the Set 2 rules as they relate to aspects of Section 10 of the final Comprehensive Market Design Proposal.

A draft agenda for the consultation session is provided below. Stakeholders may provide feedback with respect to this agenda by sending an email to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca) on or before September 4, 2018. The AESO will consider these requests and endeavor to accommodate them where possible.

Time	Agenda Item
8:30 – 8:45	Welcome, Introductions and Housekeeping
8:45 – 9:15	Energy Market Mitigation rule and Energy Market Offer Control Information rule <ul style="list-style-type: none"> <li>- amendments to the Energy Market Offer Control Information rule</li> <li>- structure and purpose of new Energy Market Mitigation rule</li> </ul>
9:15 – 10:00	Q&A on Energy Market Mitigation rule and Energy Market Offer Control Information rule
10:00 – 10:15	Break
10:15 - 11:00	Comprehensive Market Design Section 10 rules & definitions: <ul style="list-style-type: none"> <li>- structure and purpose of changes to existing EAS rules</li> <li>- discussion re: load participation integration</li> </ul>
11:00 – 12:30	Q&A on Comprehensive Market Design Section 10 rules
12:30 – 1:00	Lunch
1:00 – 1:15	Section 203.6 NTD - Priced Dispatches
1:15 – 2:00	Q&A on Section 203.6 and any additional items

## Related Materials

Stakeholders may wish to review the following materials in advance of the consultation session for Set 2:

1. The AESO's [July 26, 2018 presentation](#) on the Development of ISO Rules for the Implementation of the Capacity Market;
2. The [Comprehensive Market Design](#) Final Proposal and Rationale;
3. [Design working group](#) materials; and
4. [Energy and Ancillary Services working group](#) materials.

Yours truly,

Pauline McLean

Director, Legal & Regulatory Affairs & Associate General Counsel