

Period of Comment: July 11, 2019 through July 23, 2019

Item #		Stakeholder comment	AESO Replies
1	whether you agree that the proposed new and amended ISO rules relate to the capacity market and why or why not	<p><u>AltaLink Management Ltd (“AltaLink”)</u></p> <p>1. As the rule applies to market participants, it is AltaLink’s view that it relates to the capacity market.</p>	1. The AESO acknowledges AltaLink’s comment.
		<p><u>Capital Power Corporation (“Capital Power”)</u></p> <p>2. Capital Power submits that the proposed rule does relate to the capacity market as the underlying requirements, and waivers and variances thereof, relate specifically to assets participating in both the energy and capacity market.</p>	2. The AESO acknowledges Capital Power’s comment.
		<p><u>ENMAX Energy Corporation (“EEC”)</u></p> <p>3. ENMAX Energy Corporation (EEC) does not feel that the current rule as written, relates to the capacity market.</p>	3. The AESO acknowledges EEC’s comment.
		<p><u>Market Surveillance Administrator (“MSA”)</u></p> <p>4. All the proposed ISO Rules relate to the electricity market.</p>	4. The AESO acknowledges the MSA’s comment.

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2	whether you agree that the proposed new and amended ISO rules should [or should not] be in effect for a fixed term and why or why not	<p><u>AltaLink Management Ltd</u></p> <p>5. AltaLink’s view is a fixed term is inappropriate as it will create regulatory uncertainty.</p>	5. The AESO acknowledges AltaLink’s comment.
		<p><u>Capital Power Corporation</u></p> <p>6. The proposed rule should not be in effect for a fixed term. The rule provides a framework by which the AESO can receive and consider waivers and variances to technical AESO rules. AESO responsibilities within the proposed rule provide adequate oversight to ensure the rule continues to be effective as a means to consider the circumstances where waivers and variances to AESO rules is appropriate.</p>	6. The AESO acknowledges Capital Power’s comment.
		<p><u>ENMAX Energy Corporation</u></p> <p>7. ISO Rule 103.14 should not be in effect for a fixed term.</p>	7. The AESO acknowledges EEC’s comment.
		<p><u>Market Surveillance Administrator</u></p> <p>8. N/A</p>	8. The AESO acknowledges the MSA’s comment.

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3	whether you understand and agree with the objective or purpose of the proposed new and amended ISO rules and whether, in your view, the proposed new and amended ISO rules meet the objective or purpose	<p><u>AltaLink Management Ltd</u></p> <p>9. AltaLink agrees that the new ISO rule, and the amendments to the existing ISO rules as made to facilitate the new rule, meet the objective and purpose set out for the creation of the new rule.</p>	9. The AESO acknowledges AltaLink’s comment.
		<p><u>Capital Power Corporation</u></p> <p>10. Capital Power supports the objective and purpose of the proposed ISO rule as it provides a mechanism for market participants and the AESO to receive and approve waivers and variances to technical market rules. The rule provides the AESO with appropriate oversight to the review process to ensure the outcomes are supportive of the continued operation of Alberta’s wholesale energy market in a way that is in line with existing policy.</p>	10. The AESO acknowledges Capital Power’s comment.
		<p><u>ENMAX Energy Corporation</u></p> <p>11. Agree with the objective and purpose of the new ISO Rule 103.14.</p>	11. The AESO acknowledges EEC’s comment.
		<p><u>Market Surveillance Administrator</u></p> <p>12. The proposed AESO rules meet the technical objectives of the rule. See comments below re meeting FEOC objectives.</p>	12. The AESO acknowledges the MSA’s comment.

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4	how, in your view, the proposed new and amended ISO rules affects the performance of the capacity market and the electricity market	<p><u>AltaLink Management Ltd</u></p> <p>13. AltaLink’s view is the rule could affect the performance of the capacity market and the electricity market, depending on the interpretation and implementation of Section 4: Criteria for evaluating a request.</p>	13. The AESO acknowledges AltaLink’s comment.
		<p><u>Capital Power Corporation</u></p> <p>14. Capital Power supports the implementation of the proposed rule, with consideration for minor changes described below. As proposed the rule should have negligible impacts to the performance of the capacity and energy markets in Alberta.</p>	14. The AESO acknowledges Capital Power’s comment.
		<p><u>ENMAX Energy Corporation</u></p> <p>15. No comment at this time.</p>	15. The AESO acknowledges EEC’s comment.
		<p><u>Market Surveillance Administrator</u></p> <p>16. The proposed AESO rules meet the technical objectives of the rule. See comments below re meeting FEOC objectives.</p>	16. The AESO acknowledges the MSA’s comment.

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5	your views on any analysis conducted or commissioned by the AESO supporting the proposed new and amended ISO rules	<p><u>AltaLink Management Ltd</u> 17. AltaLink cannot comment on any analysis conducted or commissioned by the AESO supporting the proposed new rule, other than the information presented in the consultation. AltaLink is of the opinion that the information presented in the consultation was fair.</p> <p><u>Capital Power Corporation</u> 18. Capital Power has no comment.</p> <p><u>ENMAX Energy Corporation</u> 19. No comment at this time.</p> <p><u>Market Surveillance Administrator</u> 20. N/A</p>	<p>17. The AESO acknowledges AltaLink’s comment.</p> <p>18. The AESO acknowledges Capital Power’s comment.</p> <p>19. The AESO acknowledges EEC’s comment.</p> <p>20. The AESO acknowledges the MSA’s comment.</p>
6	whether you agree with the proposed new and amended ISO rules taken together with all ISO rules and in light of the principle of a fair, efficient and openly	<p><u>AltaLink Management Ltd</u> 21. AltaLink agrees with the rule, however, AltaLink notes the principle of a fair, efficient and openly competitive market may be affected by the interpretation and implementation of Section 4: Criteria for evaluating a request.</p>	<p>21. The AESO acknowledges AltaLink’s comment.</p>

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	competitive market	<p><u>Capital Power Corporation</u></p> <p>22. Capital Power submits the proposed rule supports a market that is fair, efficient, and openly competitive.</p>	<p>22. The AESO acknowledges Capital Power’s comment.</p>
		<p><u>ENMAX Energy Corporation</u></p> <p>23. EEC agrees with the proposed and amended ISO Rules taken together, and in light of the principle of FEOC.</p>	<p>23. The AESO acknowledges EEC’s comment.</p>

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		<p><u>Market Surveillance Administrator</u></p> <p>24. The MSA accepts that technical issues may arise that requires rules of this nature to be in place under certain circumstances. However, in the MSA’s view additional language needs to be included in the rule to make it FEOC compliant to address the need for confidentiality and transparency. This need partially arises as a result of economic reasons being a consideration for being granted an exemption as per Clause 3(2)(g) and 4(e). For example, there needs to be an obligation on the AESO to protect confidential information while ensuring that no participant gets a competitive advantage as a result of being granted an exemption under 103.14. The MSA proposes additional language be included in Rule 103.14 to require the AESO to provide a level of reporting that informs market participants of the type of exemptions that have been approved while protecting confidential information. This matter was discussed at the June 20, 2019 stakeholder session and it is the view of the MSA that the AESO expressed an interest in pursuing reporting to address the transparency issue while respecting the confidential nature of some of the information. The MSA supports that undertaking and also supports writing that requirement into the rule.</p>	<p>24. The AESO agrees that its consideration and communication of waiver or variance requests must align with its obligation to act in a manner that promotes a fair, efficient, and openly competitive electricity market. The AESO is not opposed to a form of reporting in relation to the types of waivers and variances that are approved and is currently assessing the appropriate approach to such reporting, including a consideration of its duties under Section 103.1 of the ISO rules, <i>Confidentiality</i>. Once it has completed this assessment, the AESO will determine whether to include requirements in proposed new Section 103.14, provide information in a related information document or both.</p>

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7	whether you would suggest any alternatives to the proposed new and amended ISO rules	<p><u>AltaLink Management Ltd</u></p> <p>25. AltaLink has no additional comments to the proposed rule or the amendments to the existing rules as made to facilitate the new rule.</p> <p><u>Capital Power Corporation</u></p> <p>26. Capital Power supports the proposed rule, with consideration for minor revisions described below.</p> <p><u>ENMAX Energy Corporation</u></p> <p>27. ENMAX feels that if a request and resulting decision could assist other participants in their endeavor to comply with certain rules, and in the interest of ensuring a level playing field, transparency of market information, and to align with FEOC, the AESO should make that information public. EEC appreciates that the AESO is bound by Section 103.1 of the ISO Rules (Confidentiality), however, EEC strongly encourages the AESO to consider aggregating certain records such that they are unidentifiable and making that information public.</p>	<p>25. The AESO acknowledges AltaLink’s comment.</p> <p>26. The AESO acknowledges Capital Power’s comment.</p> <p>27. See the AESO’s Reply #24 to Item #6 above.</p>
8	if the rule relates to the capacity market, whether you agree that the proposed new and amended ISO rules support ensuring a reliable supply of	<p><u>AltaLink Management Ltd</u></p> <p>28. AltaLink agrees with the rule, however, AltaLink notes that ensuring a reliable supply of electricity at a reasonable cost to customers may be affected by the interpretation and implementation of Section 4: Criteria for evaluating a request.</p>	<p>28. The AESO acknowledges AltaLink’s comment.</p>

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	electricity at a reasonable cost to customers and why or why not	<p><u>Capital Power Corporation</u> 29. Capital Power has no comment.</p>	29. The AESO acknowledges Capital Power’s comment.
		<p><u>ENMAX Energy Corporation</u> 30. EEC has no comment at this time.</p>	30. The AESO acknowledges EEC’s comment.
		<p><u>Market Surveillance Administrator</u> 30. N/A</p>	30. The AESO acknowledges the MSA’s comment.
9	whether you agree that the proposed new and amended rules support the public interest and why or why not	<p><u>AltaLink Management Ltd</u> 31. AltaLink is supportive of the new rule, and amendments to the existing rules as made to facilitate the new rule, as a means to clarify and standardize our ability to seek variances to innovate and provide the lowest cost solutions to our customers.</p>	31. The AESO acknowledges AltaLink’s comment.
		<p><u>Capital Power Corporation</u> 32. Capital Power submits the proposed rule generally supports the public interest.</p>	32. The AESO acknowledges Capital Power’s comment.

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		<p><u>ENMAX Energy Corporation</u> 33. EEC has no comment at this time.</p>	33. The AESO acknowledges EEC’s comment.
		<p><u>Market Surveillance Administrator</u> 34. See answer to #6</p>	34. See the AESO’s Reply #24 to Item #6.
10	Any additional comments regarding proposed new and amended ISO rules	<p><u>AltaLink Management Ltd</u> 35. AltaLink suggests that AESO provides clarity on the following Criteria for evaluating a request: (e) economic impacts; (f) material impacts on a fair, efficient, and openly competitive market.</p>	35. The AESO intends to develop an information document in relation to proposed new Section 103.14. This information document could provide clarity regarding the subsections noted by AltaLink.
		<p><u>Capital Power Corporation</u> 36. Capital Power has no comments.</p>	36. The AESO acknowledges Capital Power’s comment.

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		<p><u>Market Surveillance Administrator</u></p> <p>37. In the previous round of written stakeholder consultation, the MSA had proposed including language in the subject rule that the MSA shall receive timely information from the AESO about applications/decisions under this rule. The AESO did not accommodate that request. The MSA reiterates its position that it should be provided explicit notice on application that a market participant has requested a decision of this nature from the AESO and that this be at least ten business days in advance of the AESO rendering a decision.</p>	<p>37. Pursuant to subsection 20(1)(j) of the <i>Electric Utilities Act</i>, the AESO may make rules respecting the granting of exemptions from the rules and setting out the process for obtaining an exemption. The proposed new Section 103.14 aligns with this authority.</p> <p>Requirements for the AESO to share records with the MSA are prescribed in the <i>Market Surveillance Regulation</i>. The AESO will continue to carry out its duties in accordance with this Regulation.</p>

Additional comments or views on the type of content that should be included in an information document associated with the proposed new and amended ISO rules

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<p><u>Capital Power Corporation</u></p> <p>38. Capital Power submits that minor changes to the draft rule would improve efficiency and effectiveness of the process to request waivers and variances. The proposed improvements are the following:</p> <p>a. Content of waiver or variance – Capital Power submits that the market participant, along with the AESO, should have the ability to submit for consideration the milestones for mitigation and remediation plans. This would ensure implementation of the proposed solution is properly accounted for in a market participant’s planning processes.</p> <p>b. Extending a waiver or variance – The AESO should consider adding provisions to the rule that would allow applicants or legal owners the ability to extend an approved waiver or variance. The provision could involve another evaluation of the specific circumstances; however, it should not require re-filing the application for review.</p> <p>c. Definitions – the AESO should consider whether it would be appropriate to define the terms “Waiver” and “Variance” in the AESO glossary of terms.</p>	<p>38.</p> <p>a. The AESO has no objection to the consideration of milestones when determining mitigation and remediation plans as proposed by a market participant. The AESO is of the opinion that such material is more properly addressed in the related information document and will include it there as opposed to in the requirements of the proposed new Section 103.14.</p> <p>b. The AESO agrees that an abbreviated process may be appropriate in situations where a market participant is requesting an extension to a current waiver or variance. The AESO is of the opinion that the proposed new Section 103.14, as it is currently drafted, would permit that approach. The AESO will consider what an abbreviated process would look like and will include relevant details in the related information document.</p> <p>c. The AESO is of the opinion that it is not necessary to include definitions for the terms “waiver” and “variance” in the AESO’s <i>Glossary of terms</i> as the common meaning of the words is sufficient.</p>

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<p><u>TransAlta Corporation (“TransAlta”)</u></p> <p>39. We want to thank the AESO for your consideration of comments from stakeholders when drafting proposed new Section 103.14. In keeping with prior comments submitted by TransAlta to the AESO, we request the AESO include language in section 6 (a) requiring the AESO to provide an estimated timeline for consideration of a waiver or variance request, and for the AESO to have the ability to revise that estimate should there be an unanticipated delay. Provision of such information would hold the AESO accountable for rendering a decision in a reasonable timeframe, would enable companies to plan and budget a scenario where a waiver or variance is not granted and would provide all parties with a timeline in which the AESO will render a decision which could have compliance implications if not granted in the affirmative.</p>	<p>39. The AESO is of the opinion that it is not feasible to include language in subsection 6(a) of proposed new Section 103.14 requiring the AESO to provide an estimated timeline for consideration of a waiver or variance request, and for the AESO to have the ability to revise that estimate should there be an anticipated delay. While the AESO agrees that such information would be helpful to market participants, the number of variables involved in any given waiver or variance request, including the type of request, whether additional information is required, and the number of other requests currently being assessed, make it very difficult to give a reasonable estimate of the timeline for consideration.</p> <p>Subsection 6(c) of the proposed new Section 103.14 requires the AESO to provide updates on the progress of waiver and variance requests. The AESO is committed to giving such updates and will, in finalizing a process and form for those updates, consider whether it might be reasonable to also include an indication of timelines.</p>