

June 27, 2022

Horst Klinkenborg
Senior Regulatory Advisor
Suncor Energy Marketing Inc.
150 – 6 Avenue SW
Calgary, AB T2P 3E3

Dear Mr. Klinkenborg,

Re: Alberta Electric System Operator response to Suncor Energy Marketing Inc.'s rule proposals dated February 28, 2022

On February 28, 2022, the Alberta Electric System Operator ("AESO") received the following two ISO rule proposals from Suncor Energy Marketing Inc. ("Suncor"):

1. Suncor proposes that the AESO amend, at minimum, the following ISO rules to implement priced intertie transactions:
 - Section 201.5, *Energy Market Block Allocation*;
 - Section 203.1, *Offers and Bids for Energy*;
 - Section 203.3, *Energy Restatements*;
 - Section 203.6, *Market Requirements for Interchange Transactions*; and
 - Section 303.2, *Available Transfer Capability Allocation and Transfer Path Management*.
2. Suncor proposes that the AESO amend the definitions of "maximum capability" and "acceptable operational reason" in the *Consolidated Authoritative Document Glossary* to introduce a must-offer requirement for import assets.

(collectively, the "Suncor Rule Proposals").

In the AESO view, the Suncor Rule Proposals should be evaluated together as introducing a must-offer for import assets is more effective with the implementation of priced interties.

The Priced Interties Initiative was originally included in the AESO's 2020 Market Initiatives Plan¹, but was removed as other initiatives were identified as higher priority. The Suncor Proposals do not change the AESO's assessment of the priority of the Priced Interties Initiative and, therefore, the AESO will not be making any of the proposed changes to the above-mentioned ISO rules or definitions at this time.

¹ <https://www.aeso.ca/market/market-related-initiatives/>

The AESO revisits its strategic plan, and the priority of initiatives related to its strategic plan, on an annual basis. Stakeholder feedback on the AESO's priorities and initiatives is facilitated and considered through the Budget Development Process. In the event circumstances change and the AESO decides to resume the Priced Interties Initiative, the AESO will also resume its review of Suncor Rule Proposals.

Sincerely,

Nicole LeBlanc

Nicole LeBlanc
Director, Markets & Tariff