

Bulletin 2018-09

May 16, 2018

Consultation initiated for changes to AUC Rule 017, to reflect amendments to the *Electric Utilities Act*

AUC Rule 017: Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission

Bill 13, *An Act to Secure Alberta's Electricity Future* was introduced in the Legislative Assembly of Alberta on April 19, 2018. If passed, the proposed legislation would result in amendments to the *Alberta Utilities Commission Act*, the *Electric Utilities Act*, the *Renewable Electricity Act*, and the *Hydro and Electric Energy Act* that would enable the implementation and operation of the capacity market.

The legislation proposes amendments to the *Electric Utilities Act* that would result in new obligations for the Alberta Utilities Commission (AUC) including amended rule-making power in what would be Section 20.9 of the *Electric Utilities Act*. These proposed amendments require significant changes to Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*. In anticipation of the passing of Bill 13 and the subsequent coming-in-to-force of Section 20.9 on August 1, 2018, the Commission is issuing this bulletin to begin consultation on Rule 017.

To initiate the discussion, the AUC has prepared a revised draft Rule 017. Due to the significance of the changes from the previous version, the AUC will not be providing a redline version. The AUC is holding a formal stakeholder engagement process to consider the processes and information needed in Rule 017 in order to reflect the amendments proposed in Bill 13. A document outlining the proposed consultation process for Rule 017 and the draft rule may be found on the AUC website under Rule-related consultation through this link http://www.auc.ab.ca/regulatory_documents/Pages/ConsultationsRule017.aspx.

The proposed amendments to the *Electric Utilities Act* would change how independent system operator (ISO) rules will be developed and approved. First, ISO rules would require Commission approval, with a specific process contemplated for the ISO rules considered essential to establish and operate the capacity market. Additionally, the proposed amendments would change how the AESO may implement rules on an expedited basis. Finally, under Section 20.9 of the proposed amendments to the *Electric Utilities Act*, the Commission would be required to make rules that direct the AESO to consult with market participants, the Market Surveillance Administrator and other interested parties in developing ISO rules. The Commission would also have the ability to make rules respecting the AESO's consultation process and the content of AESO applications for ISO rule approval.

The AUC has prepared a draft Rule 017 to address the approval processes described above for:

- ISO rules in the regular course.
- ISO rules that will initiate the capacity market and during the transition period.
- ISO rules for which the ISO seeks expedited implementation.

The draft rule also addresses the following minimum application requirements:

- Information required to file an application for approval of an ISO rule, both in the regular course and during the transition period.
- Information required to apply for expedited implementation of an ISO rule.

The first stakeholder consultation meeting will be held in the Calgary and Edmonton hearing rooms on May 31, 2018.

Eau Claire Tower AUC hearing room, 14 Floor Calgary, Alberta	106 Street Building AUC hearing room, 12 Floor Edmonton, Alberta
Date: May 31, 2018	
Time: 10 a.m. to 4 p.m.	
Limited to two attendees per organization	
RSVP by email capacitymarket@auc.ab.ca with the names of attendees, location and any dietary restrictions before 4 p.m. on May 23, 2018	

The AUC thanks market participants and other interested parties for their time and participation in this consultation process.

Any questions related to this consultation should be emailed to capacitymarket@auc.ab.ca or directed to Kevin Thompson at 403-592-4496 or Elizabeth von Engelbrechten at 403-592-4489.

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Chief Executive