



December 18, 2009

Dear Market Participants and Interested Parties:

**Re: Letter of Notice –Further ISO Rules Proposed Amendments to:**

- a) Certain New ISO Rules Section G1 Definitions;**
- b) Level I New ISO Rules 5 Reliability Assessment and Scheduled Outage Cancellation;**
- c) Level I Changes to Existing ISO Rules 8 Power Pool Financial Settlement, and**
- d) Level I Removal of Existing OPP 606 Generation Outage Coordination;**

**(collectively the “Proposed New Rule 5 Provisions”)**

Pursuant to Section 2(1) of the Alberta Utilities Commission (“Commission”) Rule 017, the Alberta Electric System Operator (“AESO”) is providing notice and seeking feedback on certain additional drafting amendments to proposed ISO and OPP rules changes. [Click here](#) to view a copy of the revised and amended draft of the Proposed New Rule 5 Provisions.

On November 5, 2009 the AESO posted Stakeholder Comments on the [Letter of Notice](#) provided to Stakeholders on October 6, 2009. Based on the comments received, the AESO is of the view that additional modifications to the October 6, 2009 Proposed New Rule 5 Provisions language are warranted. Accordingly, the AESO is re-consulting with market participants and the attached version of the Proposed New Rule 5 Provisions contains the amended rules text differences from the version contained in that original October 6, 2009 Letter of Notice.

Market participants also should be advised that, once finalized, Proposed New Rule 5 Provisions will not be transferred into the new ISO rules framework at this point in time, and thus will remain as numbered in the existing framework. The various subject matters of the Proposed New Rule 5 Provisions will be populated into that new framework in the context of pending 2010 Transition of Authoritative Documents (“TOAD”) reform projects.

The AESO is required to provide replies to market participant comments pursuant to Section 8 of the Alberta Utilities Commission (“Commission”) Rule 017. For your information, [click here](#) to access the previous October 6, 2009 comment-replies.



For ease of reference, the following grid is hyperlinked to provide assistance in directing stakeholders to the summary of the Proposed New Rule 5 Provisions. The attached summaries provide more information on these additional proposed amendments, including a brief explanation of the reason why they are needed.

Rules Number	Description	Level	Most relevant stakeholder interest
G1, 5, 8	<a href="#">Definitions</a> , <a href="#">Generation Outage Cancellation</a> <a href="#">Power Pool Financial Settlement</a>	I	All Market Participants
OPP 606	<a href="#">Generation Outage Cancellation</a>	I	All Market Participants

Comments and suggestions on the Proposed New Rule 5 Provisions are encouraged. Please use the comment matrix provided when submitting comments to the AESO. [Click here](#) to access the comment matrix for the proposed ISO rules changes. [Click here](#) to access the new comment matrix for the proposed removal of OPP 606. Only written comments will be considered in finalizing any Proposed New Rule 5 Provisions amendments

Please provide feedback or questions by **Friday, January 29, 2009**, to the *individual* specified in the “AESO Contact section of the “Proposed LEVEL I ISO Rule Changes” below.

The AESO will be publishing all stakeholder comments received for industry review shortly after the comment deadline. Stakeholder comments received along with AESO responses will be published with the final Proposed New Rule 5 Provisions changes being recommended for internal approval in February 2010.

Yours sincerely,

*Original Signed By*

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## Proposed LEVEL I ISO Rules Changes

Level I changes are changes that have a significant operational or financial impact on the industry or the AESO.

<b>Revised and Amended Draft of Consolidated Section 5, OPP 606, Appendix 7 and Sections 8.11 and 8.4.2 of the ISO Rules</b>	
Rules Section/Number	<p>New Definitions Section G1:</p> <ul style="list-style-type: none"> <li>- Scheduled Generator Outage</li> <li>- Incremental Generation Costs</li> </ul> <p>5. RELIABILITY ASSESSMEMENT AND SCHEDULED GENERATOR OUTAGE CANCELLATION</p> <p>8.1.1 Settlement at Pool Price</p> <p>8.4.2 Final Pool Statement</p>
Summary of Additional ISO Rules Amendments or Modifications	<ul style="list-style-type: none"> <li>• Clarification of definition of “generating unit” versus “generating asset</li> <li>• Further amendments to definition of “incremental generation costs”, as well as related amendments to ISO rules Section 5.4 (8)</li> <li>• Clarification of applicability of ISO rules to certain pool participants and to generating unit owners</li> <li>• Reasonable efforts for requirement of owners given notice of a scheduled generator outage cancellation to submit work,</li> </ul>



	<p>costs and claims information</p> <ul style="list-style-type: none"> <li>• Clarification of who may claim ISO rules Section 5.4 compensation</li> </ul>
Level	I
Explanation of Confidentiality	None
Proposed Effective Date	15 days following the later of the date a final order of the Commission is issued respecting directions set out in Decision 2008-137 and confirmation of these proposed ISO rule changes filed pursuant to Commission Rule 017.
AESO Contact	Market Services, Doug Simpson, <a href="mailto:doug.simpson@aeso.ca">doug.simpson@aeso.ca</a> , (403) 539-2494
Attachments	<a href="#">Comparison and Rationale Document</a> , including a blacklined copy of the proposed New Rule 5 Provisions.



## OPP 606 Generation Outage Cancellation

Rules Section/Number	Part 3, OPP 606 Generation Outage Cancellation
Summary of ISO Rules	OPP 606 set out the duties of generation facility owners (“GFOs”) and Power Purchase Agreement (“PPA”) Buyers (collectively called STS Contracting Parties) to inform the AESO of scheduled outages of their generating assets, and the AESO to make the aggregate outages available on the AESO website, assess supply adequacy and the authority to cancel such outages if required.
Reason for Removal	OPP 606 has been incorporated into new ISO rule 5. This initiative has not changed from the October 6, 2009 proposal of the AESO.
Level	I
Explanation of Confidentiality	None
Proposed Effective Date	15 days following the later of the date a final order of the Commission is issued respecting directions set out in Decision 2008-137 and confirmation of this proposed OPP rule removal filed pursuant to Commission Rule 017.
AESO Contact	Market Services, Doug Simpson, <a href="mailto:doug.simpson@aeso.ca">doug.simpson@aeso.ca</a> , (403) 539-2494
Attachments	<b>See attached.</b> <a href="#">OPP606 - clean</a>