

October 17, 2014

Greg Andrews
Analyst, Markets Division
Alberta Utilities Commission
Fifth Avenue Place
4th Floor, 425 – 1 Street SW
Calgary, AB T2P 3L8

Re: Bulletin 2014-13 - Consultation on AUC Rule 19: Specified penalties for Contravention of ISO rules

The Alberta Electric System Operator (“AESO”) has reviewed Alberta Utilities Commission (“AUC”) Bulletin 2014-13 (“Bulletin”), dated October 1, 2014, and provides the following comments.

The AESO supports the Commission’s proposals described in the Bulletin. Additionally, the AESO proposes that the Commission consider including section 306.6 of the ISO rules in the AUC Rule 019 penalty table. This section of the ISO rules assists in maintaining the reliability of the interconnected electric system, as it includes reporting requirements that facilitate the detection and correction of instances in which either the automatic voltage regulator or the power system stabilizer was not in service when it should have been.

The AESO is currently consulting on the new ISO operating reserve rules (Sections 205.1, 205.2, 205.3, 205.4, 205.5 and 205.6) and expects that these rules will be filed with the AUC before the end of 2014. The new operating reserve rules will replace existing ISO rules already included in the AUC Rule 019 penalty tables, which have historically been the source of numerous referrals to the Market Surveillance Administrator (“MSA”). Accordingly, the AESO proposes that the AUC consider delaying any proposed revision to AUC Rule 019 until such time as revisions relating to the new operating reserve rules can be included.

The AESO proposes the above changes in order to:

- a) address ISO rules that have been and are expected to be the focus of AESO compliance screening and referral to the MSA;
- b) allow for the efficient handling of referrals regarding these ISO rules to the MSA; and
- c) provide effective incentive for behavioral change.

The AESO appreciates the opportunity to comment on these amendments to the specified penalty tables of AUC Rule 019.

Sincerely,

“Original Signed By”

Heidi Kirrmaier
Vice President, Regulatory

cc: Peter Wong, Director, Compliance, Regulatory