

Rule 017

Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission

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Part 1: General matters

1 Definitions

- 1.1 The definitions from the *Electric Utilities Act* apply to these rules.
- 1.2 In these rules:
- (a) “ISO” means the Independent System Operator.
 - (b) “ISO rule” means a rule made by the ISO under its authority in the *Electric Utilities Act* that:
 - i. has been approved by the Commission after August 1, 2018; or
 - ii. was made by the ISO before August 1, 2018 and has not been amended or removed on or after August 1, 2018.

Part 2: Procedures and process for development of proposed rules and application for Commission approval

2 Definitions

- 2.1 In this Part:
- (a) “proposed rule” means a proposed new ISO rule, a proposed amendment to an existing ISO rule, a proposed removal of an existing ISO rule, or a renewal of an existing ISO rule that has a fixed term.

3 Application

- 3.1 This Part does not apply to proposed provisional rules or proposed initial rules as those terms are defined in Part 3.

4 Notice for development of proposed rules

- 4.1 When the ISO identifies an issue, or receives a complete proposal pursuant to its process under Section 20.81 of the *Electric Utilities Act*, that, in the opinion of the ISO, may require a proposed rule, the ISO must issue written notice to the Market Surveillance Administrator, market participants, and other interested parties prior to developing a proposed rule and must post the notice on the ISO’s website.
- 4.2 If the notice is required because of receipt of a complete ~~a~~ proposal received by the ISO pursuant to its process under Section 20.81 of the *Electric Utilities Act*, the ISO must issue notice within 30 days of receipt of the complete proposal.
- 4.3 The notice must set out:
- (a) the issue that a proposed rule is intended to address;

- (b) a description of the potential objective or purpose of the proposed rule;
- (c) the manner in which the Market Surveillance Administrator, market participants, and other interested parties may submit:
 - (i) ~~submit~~ written comments; ~~and~~
 - (ii) make a request notice of intent to participate in consultation; ~~and~~
 - ~~(ii)(iii) comments on the form of consultation;~~
- (d) the deadline date for comments, which must not be less than 15 days from the later of:
 - (i) ~~The~~ date the notice is issued to the Market Surveillance Administrator, market participants, and other interested parties; or
 - (ii) ~~The~~ date the notice is issued on the ISO's website; and
- (e) where the information set out in subsection 4.4 can be accessed.

4.4 When the notice is posted on the ISO's website, the ISO must also post a copy of any ~~relevant~~ material the ISO considers to be relevant that is related to the need for, the development of, removal of, or renewal of the proposed rule.

5 Comments

5.1 The Market Surveillance Administrator, market participants, and interested parties may:

- (a) provide general written comments to the ISO on the need for, the development of, removal of, or renewal of a proposed rule; ~~and~~
- (b) submit a notice of intent request to participate in consultation with the ISO; ~~and~~
- (c) comment on the form of consultation.-

5.2 Within 5 business days of receipt of comments, the ISO must:

- (a) post all submissions received pursuant to subsection 5.1 on the ISO's website; and
- (a)(b) provide written notice to the Market Surveillance Administrator, market participants and other interested parties regarding where the information set out in subsection 5.2(a) can be accessed.

6 Consultation for development of proposed rules

6.1 Upon receipt of any notice of intent request to participate in consultation, the ISO must:

(a) form a working consultation group or working consultation groups composed of any parties:

(i) who submitted a request to notice of intent to participate in consultation; or

~~(i)(ii)~~ that the ISO thinks may be directly affected by the proposed rule;

(b) consult with the working consultation group(s) in a manner determined by the ISO to:

(i) determine the need for a proposed rule; and

(ii) develop a proposed rule if, in the opinion of the ISO a proposed rule is necessary.

6.2 When the ISO undertakes consultation with a working consultation group or working consultation groups under subsection 6.1, the ISO must provide an opportunity for members of the working consultation group(s) to make submissions regarding the information required in subsections 7.2(b) through 7.2(i) of this rule.

6.3 Following development of a proposed rule, the ISO must provide written notice to the Market Surveillance Administrator, market participants and other interested parties and solicit comments on the proposed rule by way of a:

(a) -proposed rule comment matrix; and

(b) request for comment on whether the proposed rule is technically deficient. ~~written notice to the Market Surveillance Administrator, market participants and other interested parties and~~

6.36.4 ~~†~~The notice required by subsection 6.3 must:

(a) be posted on the ISO's website;

(b) include the information required by subsection 4.3, excluding the requirement in subsection 4.3(c)(ii) and 4.3(c)(iii); and

(c) include the information required by subsection 4.4.

6.5 Within 5 business days of receipt of comments received pursuant to subsection 6.3, the ISO must:

(a) post all submissions on the ISO's website; and

- (b) provide written notice to the Market Surveillance Administrator, market participants and other interested parties regarding where the submissions referred to in subsection 6.5(a) can be accessed.

6.46.6 After consulting under Section 6, the ISO may proceed to make an application to the Commission under Section 7.

7 Application for Commission approval of proposed rules

- 7.1 The ISO must apply to the Commission for approval of a proposed rule.
- 7.2 Subject to subsection 7.3, an application for approval of a proposed rule ~~should~~ must include the following information:
- (a) a description of the consultation process that was undertaken by the ISO including a list of parties who participated and copies of any submissions made by parties under subsections 6.2 and 6.3;
 - (b) an explanation of whether the proposed rule relates to the capacity market and why;
 - ~~(i) the capacity market and why; or~~
 - ~~(ii) the electricity market and why;~~
 - (c) if the proposed rule relates to the capacity market, an explanation of whether or not the proposed rule will be in effect for a fixed term and why;
 - (d) a description of the objective or purpose of the proposed rule;
 - (e) a copy of any analysis conducted or commissioned by the ISO supporting the proposed rule, with a description of assumptions and methodology;
 - (f) an explanation of why the proposed rule, taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market, was proposed;
 - (g) a description of any alternatives that were ~~considered explored during consultation to achieve the objective or purpose of the proposed rule~~ and an ~~brief~~ explanation as to why they were rejected;
 - (h) if the rule relates to the capacity market, a description of how the proposed rule supports ensuring a reliable supply of electricity at a reasonable cost to customers; and
 - (i) an explanation of how the proposed rule supports the public interest.

- 7.3 In the event that any of the information set out in subsection 7.2 is not included in the application, the ISO must provide an explanation for not doing so.

Part 3: Procedures and process for development of proposed provisional rules and proposed initial rules and application for Commission approval

8 Definitions

8.1 In this Part:

- (a) “proposed initial rule” means a proposed new ISO rule, a proposed amendment to an existing ISO rule, a proposed removal of an existing ISO rule, or a renewal of an existing ISO rule that has a fixed term that:
- (i) has received provisional approval from the Commission under Section 20.22 of the *Electric Utilities Act*; or
 - (ii) has not received provisional approval from the Commission under Section 20.22 of the *Electric Utilities Act* and was:
 1. directed by the Commission to be considered under Section 20.22 of the *Electric Utilities Act* pursuant to Section 20.22(4)(c) of the *Electric Utilities Act*; or
 2. developed by the ISO pursuant to Section 41.42(1) of the *Electric Utilities Act*.
- (b) “proposed provisional rule” means a proposed new ISO rule, a proposed amendment to an existing ISO rule, or a proposed removal of an existing ISO rule that is developed by the ISO pursuant to Section 41.42(3) of the *Electric Utilities Act*.

9 Application

- 9.1 This Part expires on the date the Commission issues a decision under Section 20.23 of the *Electric Utilities Act*.

10 Notice for development of proposed provisional rules

10.1 When the ISO develops or intends to develop a proposed provisional rule~~identifies an issue, or receives a proposal under Section 20.81 of the *Electric Utilities Act*, that, in the opinion of the ISO, may require a proposed provisional rule~~, the ISO must issue written notice to the Market Surveillance Administrator, market participants, and other interested parties prior to developing a proposed provisional rule and must post the notice on the ISO's website.

~~10.2 If the notice is required because of a proposal received by the ISO under Section 20.81 of the *Electric Utilities Act*, the ISO must issue notice within 30 days of receipt of the proposal.~~

~~10.3~~10.2 The notice must set out:

- (a) the issue that a proposed provisional rule is intended to address;
- (b) a description of the potential objective or purpose of the proposed provisional rule;
- (c) the manner in which the Market Surveillance Administrator, market participants, and other interested parties may submit:
 - (i) ~~submit~~ written comments; ~~and~~
 - (ii) make a request notice of intent to participate in consultation; ~~and~~
 - ~~(iii)~~(iii) comment on the form of consultation;
- (d) the deadline date for comments which must not be less than 15 days from the later of:
 - ~~(iii)~~(iv) the date the notice is issued to the Market Surveillance Administrator, market participants, and other interested parties; or
 - ~~(iv)~~(v) the date the notice is issued on the ISO's website; and
- (e) where the information outlined in subsection 10.34 can be accessed.

10.3 When the notice is posted on the ISO's website, the ISO must also post a copy of any ~~relevant~~ material the ISO considers to be relevant that is related to the need for, the development of, or removal of the proposed provisional rule.

11 Comments

11.1 The Market Surveillance Administrator, market participants, and interested parties may:

(a) provide general written comments to the ISO on the need for a proposed provisional rule; ~~and~~

(b) submit a request to participate in consultation with the ISO; and

(c) comment on the form of consultation.

11.2 Within 5 business days of receipt of comments, the ISO must:

(a) post all submissions received pursuant to subsection 11.1 on the ISO's website; and

(a)(b) provide written notice to the Market Surveillance Administrator, market participants and other interested parties regarding where the information set out in subsection 11.2(a) can be accessed.

12 Consultation ~~for development of~~ proposed provisional rules

12.1 Upon receipt of any notice of intent ~~request~~ to participate in consultation, the ISO must:

(a) form a ~~working consultation~~ group or ~~working consultation~~ groups composed of any parties:

(i) who submitted a request to participate in consultation; or

(v)(ii) that the ISO thinks may be directly affected by the proposed provisional rule;

(a)(b) consult with the ~~working consultation~~ group(s), ~~subject to Section 13~~, in a manner determined by the ISO to further develop the proposed provisional rule.

(i) ~~determine the need for a proposed provisional rule; and~~

~~develop a proposed provisional rule if, in the opinion of the ISO, a proposed provisional rule is necessary.~~

12.2 When the ISO undertakes consultation with a ~~working consultation~~ group or ~~working consultation~~ groups under subsection 12.1, the ISO must provide an opportunity for members of the ~~working consultation~~ group(s) to make submissions regarding the information required in subsections ~~1314.2(b)~~ through ~~1314.2(j)~~ of this rule.

12.3 Following development of a proposed provisional rule, the ISO must provide written notice to the Market Surveillance Administrator, market participants and other interested parties and solicit comments on the proposed provisional rule by way of a:

(a) proposed provisional rule comment matrix; and

(b) request for comment on whether the proposed provisional rule is technically deficient.~~written notice to the Market Surveillance Administrator, market participants and other interested parties and the notice must~~

~~12.3~~**12.4** The notice required by subsection 12.3 must:

(a) be posted on the ISO's website;

(b) include the information required by subsection 10.3, excluding the requirement in subsection 10.3(c)(ii) and 10.3(c)(iii); and

(c) include the information required by subsection 10.4.

12.5 Within 5 business days of receipt of comments received pursuant to subsection 12.3, the ISO must:

(a) post all submissions on the ISO's website; and

(b) provide written notice to the Market Surveillance Administrator, market participants and other interested parties regarding where the submissions referred to in subsection 12.5(a) can be accessed.

~~12.4~~**12.6** After consulting with the working group(s), the ISO may proceed to make an application to the Commission under Section ~~134~~.

13—Reliance on completed consultation

~~13.1~~—The ISO may refer to consultations with:

(a) ~~the adequacy and demand curve working group;~~

(b) ~~the eligibility and capacity value working group;~~

(c) ~~the energy and ancillary service market changes working group;~~

(d) ~~the market mechanics working group;~~

- ~~(e) — the procurement and hedging working group;~~
- ~~(f) — the design working group;~~
- ~~(g) — technical working group; and~~
- ~~(h) — other public ISO stakeholder sessions and comments;~~

~~that took place during the period of June, 2017 to June, 2018 in order to support the requirements for consultation on a proposed provisional rule.~~

1413 Application for Commission approval of proposed provisional rules and proposed initial rules

14.113.1 The ISO must apply to the Commission for approval of a proposed provisional rule and a proposed initial rule.

14.213.2 An application for approval of a proposed provisional rule or a proposed initial rule must include the following information:

- (a) A description of the consultation process that was undertaken by the ISO including a list of parties who participated and copies of any submissions made by parties under subsections 12.2 and 12.3, if applicable;
- (b) An explanation of whether the proposed provisional rule or proposed initial rule relates to the capacity market and why;
 - ~~(i) — the capacity market and why; or~~
 - ~~the electricity market and why;~~
- (c) If the proposed provisional rule or proposed initial rule relates to the capacity market, an explanation of whether or not the rule will be in effect for a fixed term and why;
- (d) A description of the objective or purpose of the proposed provisional rule or proposed initial rule;
- (e) A copy of any analysis conducted or commissioned by the ISO supporting the proposed provisional rule or proposed initial rule, with a description of assumptions and methodology;
- (f) An explanation of why the proposed provisional rule or proposed initial rule, taken together with all ISO rules and in light of the principle of a fair, efficient and openly competitive market, was proposed;
- (g) A description of any alternatives that were explored during consultation considered to achieve the objective or purpose of the proposed provisional rule or proposed initial rule and an brief explanation as to why they were rejected;

- (h) If the rule relates to the capacity market, a description of how the proposed provisional rule or proposed initial rule supports ensuring a reliable supply of electricity at a reasonable cost to customers;
- (i) An explanation of how the proposed provisional rule or proposed initial rule supports the public interest; and
- (j) For an application for approval of a proposed provisional rule, the ISO's targeted capacity procurement volumes for the first two capacity market auctions.

44.313.3 The Commission may establish additional application requirements for proposed provisional rules and proposed initial rules.

4514 Notice and consultation for proposed initial rules

45.114.1 Following the Commission's order under Section 20.22(4) of the *Electric Utilities Act* (the "provisional decision"), for proposed initial rules that were not developed pursuant to Section 41.42(1) of the *Electric Utilities Act*, the ISO must provide notice and conduct any additional consultation, if any, in the manner directed by the Commission in the provisional decision within the timeframe directed by the Commission.

~~15.2 — The ISO may refer to the consultation set out in Section 13 in order to support the requirement for consultation on proposed initial rules where those proposed initial rules have not received provisional approval from the Commission because the Commission directed them to be considered under Section 20.22 of the *Electric Utilities Act* pursuant to Section 20.22(4)(c) of the *Electric Utilities Act*.~~

45.314.2 When the ISO identifies an issue, or receives a complete proposal under Section 20.81 of the *Electric Utilities Act*, that, in the opinion of the ISO, may require a proposed initial rule to be developed pursuant to Section 41.42(1) of the *Electric Utilities Act*, the ISO must provide notice and consult in the manner required by sections 10 through 12.

Part 4: Application for Commission approval of expedited rules

4615 Definitions

46.115.1 In this Part:

- (a) "expedited ISO rule" means a proposed rule for which the Commission has approved expedited implementation under Section 20.6 of the *Electric Utilities Act*.
- (b) "proposed rule" has the meaning given to it in Part 2 of this rule.

4716 Application

47.416.1 Subject to subsection 17.2, Part 2 of this rule does not apply to:

- (a) applications for expedited implementation of proposed rules; or
- (b) expedited rules.

4817 Expedited rule applications

17.1 The ISO must apply for Commission approval for expedited implementation of a proposed rule.

48.417.2 When the ISO makes an application to the Commission for expedited implementation of a proposed rule, it must provide written notice to the Market Surveillance Administrator, market participants and other interested parties in the manner set out in subsection 4.3(a) and (b) and includes the information required by subsection 4.4, if any.

48.217.3 An application for Commission approval for expedited implementation of a proposed rule must include:

- (a) a copy of the proposed rule for which expedited implementation is sought; and
- (b) a description of:
 - ~~(ii)~~(iii) the urgent risk to the reliable supply of electricity, if any;
 - ~~(iii)~~(iv) the urgent risk to the safe and reliable operation of the interconnected electric system, if any; or
 - ~~(iv)~~(v) the reason for requesting expedited implementation of the proposed rule if it does not fall within (i) or (ii).

48.317.4 If the Commission approves expedited implementation of a proposed rule, the ISO must post the expedited ISO rule on the ISO's website on the day upon which the expedited implementation is approved by the Commission.