

AUC Rule 017: July 19, AUC responses

Stakeholder comments: Alberta Electric System Operator (AESO), AltaLink Management Ltd. (AltaLink), ATCO Electricity Generation (ATCO), Canadian Solar Industries Association (CanSIA), Capital Power Corporation (Capital Power), Cogeneration Working Group¹ represented by Power Advisory (CWG), ENMAX Energy Corporation (ENMAX), EPCOR Energy Alberta GP Inc. (EPCOR), Industrial Power Consumers Association of Alberta (IPCAA), Independent Power Producers Society of Alberta (IPPSA), TransAlta Corporation (TransAlta), TransCanada Energy (TCE), Utilities Consumer Advocate (UCA)

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
		Part 1: General matters	Part 1: General matters		
1	1.1	Definitions The definitions from the <i>Electric Utilities Act</i> apply to these rules.	Definitions The definitions from the <i>Electric Utilities Act</i> apply to these rules.		
1	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 <i>Electric Utilities Act</i> 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.	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 <i>Electric Utilities Act</i> 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.		The AUC has simplified this definition.
		Part 2: Procedures and process for development of proposed rules and application for Commission approval	Part 2: Procedures and process for development of proposed rules and application for Commission approval		
2	2.1	Definitions	Definitions	Capital Power: Definition for “complete proposal” is required and should be added.	The AUC has removed “complete” from the term “complete proposal”. Further

¹ The CWG is comprised of TransCanada, Suncor, Cenovus, Canadian Natural Resources Limited, Dow, Imperial Oil, MEG Energy, Husky, Nova Chemicals Corporation, Syncrude, Lafarge, and InterPipeline.

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		<p>In this Part:</p> <p>(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.</p>	<p>In this-Part <u>2</u>:</p> <p>(a) “proposed rule” means a proposed new ISO rule <u>and</u>, a proposed amendment to an existing-ISO rule, <u>which includes</u> a proposed removal of an existing-ISO rule, or a renewal of an existing-ISO rule that has a fixed term.</p>	<p>Suggests: <i>means a proposal that includes:</i> <i>i) description of a deficiency with an existing or absent ISO rule; and ii) a proposed solution to address the deficiency, including amending language or proposed new language for consideration where possible.</i></p>	<p>details can be found in the AUC staff responses below.</p>
3	3.1	<p>Application</p> <p>This Part does not apply to proposed provisional rules or proposed initial rules as those terms are defined in Part 3.</p>	<p>Application</p> <p>This-Part <u>2</u> does not apply to proposed provisional rules or proposed initial rules as those terms are defined in Part 3.</p>		
4	4.1	<p>Notice for development of proposed rules</p> <p>When the ISO identifies an issue, or receives a complete proposal pursuant to its process under Section 20.81 of the <i>Electric Utilities Act</i>, 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.</p>	<p>Notice for development of proposed rules</p> <p>When the ISO identifies an issue, or receives a complete proposal pursuant to its process under Section 20.81 of the <i>Electric Utilities Act</i>, that, in the opinion of the ISO, may <u>requires the development of</u> 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.</p>	<p>AESO: Disagrees with posting a notice when it identifies an issue that <i>may</i> require a proposed rule. States that the <i>Electric Utilities Act</i> gives the AESO discretion to make ISO rules and establish a process under 20.81 for market participant proposals. It should be the AESO that determines that an ISO rule is required to be developed which will help it maintain control over prioritization of work, resourcing and budget. Having a large number of rules “in flight” could stall ISO rules that need to proceed forward. The AESO has proposed language to section 4.1 so that notice is given only for ISO rules that need to move forward.</p> <p>ATCO: Proposes to remove “complete” regarding proposals made under 20.81. Believes this is overly burdensome as it could be interpreted to mean a market participant must submit all information required under section 7.2 in an application to the Commission. A proposal would only be complete after a consultation has been</p>	<p>The AUC’s intent with Rule 017 is to ensure that the AESO begins consultation with all interested stakeholders at the issue stage and that stakeholders are given the opportunity to provide meaningful input into the drafting of ISO rule language. The AUC has revised the wording in response to comments.</p> <p>The AESO’s consultation process under Section 20.81 is the AESO’s process to develop. The design of its process is outside of the scope of Rule 017.</p>

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				<p>conducted. Further, the AESO should be required to provide written notice if it receives a proposal that it dismisses to ensure appropriate feedback is provided.</p> <p>Capital Power: What qualifies a complete proposal should be defined and these criteria should be the minimum information required by the AESO to assess the proposal and decide whether a rule or rule change is required.</p> <p>CWG: Concerned that the process lacks transparency. At a minimum, “the AESO should be required to establish and maintain a webpage where all the proposals received pursuant to Section 20.81 are posted”. Ideally, AESO will respond to each proposal with rationale as to why an issue may be immaterial. Suggest that Commission should reopen Rule 17 process after Section 20.81 process for further feedback on requirements.</p> <p>Specific language to implement above comments included for this section.</p> <p>EPCOR: Requirement for proposals under Section 20.81 are overly burdensome and suggests removing “complete”. Stated it is unclear who determines completeness and what the standard is, it may not be possible for a proposal to be “complete” without all available information from the AESO, and it may be prohibitively costly to develop a complete proposal.</p>	

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				<p>TCE: If AESO process pursuant to EUA Section 20.81 does not require the AESO to notify the market of rule proposal submissions and status and provide rationale for rejection of alternatives, AUC Rule 017 should include this.</p> <p>TransAlta: Propose the following language: “When the ISO identifies an issue, or receives a reasonably adequate proposal pursuant to its process under Section 20.81 of the <i>Electric Utilities Act</i>, which is sufficient to enable the ISO to consider the development of a proposed rule...” (rest as written). Requiring a complete proposal is too burdensome, may deter effective consultation.</p> <p>Proposed language will improve regulatory and market efficiency.</p>	
4	4.2	If the notice is required because of receipt of a complete proposal received by the ISO pursuant to its process under Section 20.81 of the <i>Electric Utilities Act</i> , the ISO must issue notice within 30 days of receipt of the complete proposal.	If the notice is required because <u>the ISO has received a proposal of receipt of a complete proposal received by the ISO</u> pursuant to its process under Section 20.81 of the <i>Electric Utilities Act</i> , <u>then</u> the ISO must issue notice within 30 days of <u>receipt of the complete proposal deciding that the proposal requires the development of a proposed rule.</u>	<p>AESO: The test for moving into Rule 017 consultation should be independent of the AESO’s receipt of a Section 20.81 proposal. The AESO would support the publication of a notice within 30 days of its determination that a proposal warrants the advancement of a proposed ISO rule at the time and has suggested language to reflect this.</p> <p>ATCO: Proposes to remove “complete” from this section.</p> <p>Capital Power: Recognizing concerns raised by the AESO, suggest changing 30 days to 60 days. Recommends adding language requiring the AESO to</p>	The AUC has removed “complete” from the term “complete proposal” and has amended the language that initiates the 30 day deadline.

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				issue a letter confirming receipt of a complete proposal and specifying the date of receipt to initiate the 60 day window.	
4	4.3	<p>The notice must set out:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) written comments; (ii) a notice of intent to participate in consultation; and (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: <ul style="list-style-type: none"> (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. 	<p>The notice must set out:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) written comments; (ii) a notice of intent to participate in consultation; and (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: <ul style="list-style-type: none"> (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. 	<p>AESO: Suggests that a 15 day comment period may be longer than necessary, particularly on administrative rule changes/proposals and suggests a minimum 5 business day comment period for increased flexibility and efficiencies where possible. The AESO acknowledged that more substantive rule changes will necessitate longer comment period.</p> <p>TransAlta: Suggest language change for part (c) to include the manner in which parties will have the opportunity to provide meaningful input to proposed ISO rules.</p>	<p>The current version of Rule 017 uses a 15 day comment period. The AUC wants to ensure that market participants are given an adequate period of time to provide comments to the AESO. The minimum 5 business days may be too short for market participants and other interested parties.</p>
4	4.4	<p>When the notice is posted on the ISO's website, the ISO must also post a copy of any 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.</p>	<p>When the notice is posted on the ISO's website, the ISO must also post a copy of any <u>data, analyses, or other</u> material <u>that</u> the ISO considers to be relevant that is related to the need for, the development of, removal of, or renewal of the proposed rule.</p>	<p>AESO: Suggested changing "...any material the ISO considers to be relevant..." to "...any data, analyses, or other material that the ISO considers to be relevant..."</p> <p>ATCO: AESO should be required to provide analysis it has conducted regarding the proposed rule and any underlying data, assumptions or methodology. Providing this information early allows stakeholders more ability to conduct their own analysis and</p>	<p>The AUC has included data and analysis to the posting requirements as there was broad support for its inclusion in this section.</p>

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				<p>provide substantive input into the process ahead of an AUC proceeding.</p> <p>Capital Power: Add language to specify that “any material the ISO considers relevant” to include any relevant analysis it has conducted or commissioned. Believe the AESO should seek to share analysis as early as possible in consultation with stakeholders.</p> <p>Further recommends a new section 4.5 requiring the AESO to post notice describing a rejected proposal under section 20.81, including why it was rejected.</p> <p>ENMAX: Proposes to replace “the ISO considers to be relevant” with “including any data and analysis”. Stated this is designed to enhance transparency and make consultation more effective. The change removes the subjectivity about what the AESO must disclose.</p> <p>IPPSA: AESO should provide analysis that it has conducted or commissioned supporting the proposed rule, with a description of the assumptions and methodology, including data so that stakeholders can understand the issue that is trying to be resolved with a rule.</p> <p>TransAlta: Proposed specific language requiring the AESO to share all data and analysis related to the need for the development of a proposed rule to ensure transparency and</p>	

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				meaningful stakeholder contribution.	
5	5.1	<p>Comments</p> <p>The Market Surveillance Administrator, market participants, and interested parties may:</p> <p>(a) provide general written comments to the ISO on the need for, the development of, removal of, or renewal of a proposed rule;</p> <p>(b) submit a notice of intent to participate in consultation with the ISO; and</p> <p>(c) comment on the form of consultation.</p>	<p>Comments</p> <p>The Market Surveillance Administrator, market participants, and interested parties may:</p> <p>(a) provide general written comments to the ISO on the need for, the development of, or amendment toremoval of, or renewal of a proposed rule;</p> <p>(b) submit a notice of intent to participate in consultation with the ISO; and</p> <p>(c) comment on the form of consultation.</p>	<p>AESO: No issues, provided that the AESO maintains discretion and control over conducting the consultation process and does not need to accept alternative methods just because they are suggested by stakeholders.</p> <p>Capital Power: Supports market participants commenting on the form of consultation and the ISO having the ability to have discretion in establishing the level and form of consultation.</p>	The intent is for the AESO to maintain discretion over its consultation process, and to endeavour for consultation that is meaningful.
5	5.2	<p>Within 5 business days of receipt of comments, the ISO must:</p> <p>(a) post all submissions received pursuant to subsection 5.1 on the ISO's website; and</p> <p>(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.</p>	<p>Within five5 business days of receipt of comments, the ISO must:</p> <p>(a) post all submissions received pursuant to subsection 5.1 on the ISO's website; and</p> <p>(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.</p>	<p>CWG: Support this addition. AESO should be required to publicly post all responses to comments.</p> <p>IPCAA: AESO should respond to comments rather than just posting that comments were submitted.</p>	The AESO will be required to respond to comments under Section 6.5.
6	6.1	<p>Consultation for development of proposed rules</p> <p>Upon receipt of any notice of intent to participate in consultation, the ISO must:</p> <p>(a) form a consultation group or consultation groups composed of any parties;</p> <p>(i) who submitted a notice of intent to participate in consultation; or</p> <p>(ii) that the ISO thinks may be directly affected by the proposed rule;</p> <p>(b) consult with the consultation group(s) in a manner determined by the ISO to:</p> <p>(i) determine the need for a proposed rule; and</p>	<p>Consultation for development of proposed rules</p> <p>Upon receipt of any notice of intent to participate in consultation, the ISO must:</p> <p>(a) form a consultation group or consultation groups composed of any partiesthat includes:</p> <p>(i) <u>any party</u> who submitted a notice of intent to participate in consultation; or<u>and</u></p> <p>(ii) <u>any party</u> that the ISO thinks may be directly affected by the proposed rule;</p> <p>(b) consult with the consultation group(s) in a manner determined by the ISO to:</p> <p>(i) determine the need for a proposed rule; and</p>	<p>AESO: Consultation on ISO rules is not a one-size fits all approach and not all ISO rules require the same level of consultation. Written process may be sufficient for some rules. Suggests changing "consultation group" to "engagement group" throughout Rule 017. Propose to remove subsection (b)(i) as the AESO will have already assessed the need for a proposed rule to move into development.</p> <p>Capital Power: Suggests referencing Section 4 in the first sentence for clarity.</p>	<p>The language supports the AESO's discretion over the form of consultation, whether it includes in person sessions, written consultation, other forms of consultation, or a combination of consultation styles.</p> <p>The AUC has adjusted the wording in 6.1(a) to make it clear that consultations are to include any party that submitted a notice of intent to participate as well as any party identified by the ISO.</p> <p>Responses by the ISO to submissions have been addressed in section 6.5.</p>

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		(ii) develop a proposed rule if, in the opinion of the ISO a proposed rule is necessary.	(ii) develop a proposed rule if, in the opinion of the ISO a proposed rule is necessary.	<p>CWG: For part (a), propose that “of any parties” be moved from the main line to the beginning of parts (i) and (ii) and change “or” to “and” to ensure that all impacted and interested parties are included.</p> <p>IPPSA: AESO should be required to respond to stakeholder comments, questions, and alternatives to improve transparency, regulatory efficiency.</p> <p>TransAlta: Part (b) should require “open, transparent and meaningful” consultation. An objective standard is needed rather than an unqualified allowance for ISO discretion.</p> <p>Stakeholders should be able to address the impacts of a proposed rule on the market as a whole and to suggest modifications. TransAlta provided language to implement its comments.</p> <p>TCE: Replace “or” in subsection (a)(i) with “and” to ensure that both groups are included when forming a consultation group.</p> <p>UCA: Replace “or” in (a)(i) with “and”.</p>	
6	6.2	When the ISO undertakes consultation with a consultation group or consultation groups under subsection 6.1, the ISO must provide an opportunity for members of the consultation group(s) to make submissions regarding the information required in subsections 7.2(b) through 7.2(i) of this rule.	When the ISO undertakes consultation with a consultation group or consultation groups under subsection 6.1, the ISO must provide an opportunity for members of the consultation group (s) to make submissions regarding: <u>(a) whether a proposed rule is needed; and</u> (a)(b) <u>(b)</u> the information required in subsections 7.2(b) through 7.2(j) of this rule.	ENMAX: Proposed a number of additions to enhance transparency of the consultation process, including providing any data or analysis along with the information required in 7.2(b) through 7.2(i) as well as having the AESO respond to submissions from participants.	Responses to participants will be addressed in a later subsection. Language has been amended for clarity. The information required to be submitted with an application has been amended in section 7.2.

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6	6.3	<p>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:</p> <p>(a) proposed rule comment matrix; and</p> <p>(b) request for comment on whether the proposed rule is technically deficient.</p>	<p>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, <u>as drafted, including comments on whether the proposed rule is technically deficient, by way of a:</u></p> <p>(a) proposed rule comment matrix; and</p> <p>request for comment on whether the proposed rule is technically deficient.</p>	<p>AESO: Supportive of stakeholders commenting on whether a rule is technically deficient to help identify any gaps.</p>	<p>The AUC has simplified this section. The AESO may still use a comment matrix under this revised wording.</p>
6	6.4	<p>The notice required by subsection 6.3 must:</p> <p>(a) be posted on the ISO's website;</p> <p>(b) include the information required by subsection 4.3, excluding the requirement in subsection 4.3(c)(ii) and 4.3(c)(iii); and</p> <p>(c) include the information required by subsection 4.4.</p>	<p>The notice required by subsection 6.3 must:</p> <p>(a) be posted on the ISO's website;</p> <p>(b) include the information required by subsection 4.3, excluding the requirement in subsection 4.3(c)(ii) and 4.3(c)(iii); and</p> <p>(c) include <u>where</u> the information required by subsection 4.4 <u>can be accessed</u>.</p>		
6	6.5	<p>Within 5 business days of receipt of comments received pursuant to subsection 6.3, the ISO must:</p> <p>(a) post all submissions on the ISO's website; and</p> <p>(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.</p>	<p>Within <u>15 business</u> days of receipt of comments <u>receiving comments</u> pursuant to subsection 6.3, the ISO must:</p> <p><u>(a)</u> post all submissions on the ISO's website;</p> <p>(a)<u>(b)</u> <u>provide written responses to the comments;</u> and</p> <p>(b)<u>(c)</u> 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) <u>and 6.5(b)</u> can be accessed.</p>	<p>AESO: Wish to have ability to provide written responses to stakeholders where appropriate to create a comprehensive record.</p> <p>AltaLink: Firmly supports adding a requirement for the AESO to reply to comments submitted as well as a rationale for accepting or rejecting comments.</p> <p>ATCO: Important for the AESO to provide responses to stakeholder comments prior to an AUC proceeding. May result in protracted regulatory process if concerns need to be rehashed in an AUC proceeding because a response was not received.</p> <p>Capital Power: Need to include an obligation for the AESO to post replies to stakeholder</p>	<p>The AUC has amended this section to require the AESO to provide responses to stakeholder comments.</p>

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				<p>comments and alternatives. AESO should be required to respond to questions and requests for clarification in comment matrices and post replies publicly. Proposed language for a new subsection 6.6, resulting in the current 6.6 to become 6.7.</p> <p>CWG: AESO should be required to respond to comments to improve consultation and regulatory efficiency.</p> <p>Propose specific language to implement comments.</p> <p>EPCOR: Add language requiring the AESO to consider comments received under subsection 6.3 and prepare a reply to the comments, including whether the AESO has made changes to the ISO rule. Replies provide valuable information to stakeholders and without the process, it will lead to inefficient regulatory proceedings due to increased numbers of interveners and information requests.</p> <p>IPCAA: AESO should respond to comments instead of just posting comments.</p> <p>TCE: New Rule 017 should include the reply provisions contained in sections 8-10 of the current Rule 017 to improve Commission understanding of issues, scoping, and overall regulatory efficiency.</p> <p>TransAlta: AESO should be required to reply to comments, including explanations of why certain positions were accepted</p>	

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				<p>or rejected. Propose specific language to implement this.</p> <p>UCA: AESO should be required to reply to all comments, explain why alternatives were accepted or rejected to limit repetition of comments and improve clarity and completeness of record.</p>	
6	6.6	After consulting under Section 6, the ISO may proceed to make an application to the Commission under Section 7.	After consulting under Section 6, the ISO may proceed to make an application to the Commission under Section 7.		
7	7.1	<p>Application for Commission approval of proposed rules</p> <p>The ISO must apply to the Commission for approval of a proposed rule.</p>	<p>Application for Commission approval of proposed rules</p> <p>The ISO must apply to the Commission for approval of a proposed rule <u>under Section 20.2 of the <i>Electric Utilities Act</i>.</u></p>	AESO: Proposes removing this as it duplicates Section 20.2 of the EUA and is not necessary.	The AUC has opted to retain this section and, instead, simplified the definitions in Part 1.
7	7.2	<p>Subject to subsection 7.3, an application for approval of a proposed rule must include the following information:</p> <p>(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;</p> <p>(b) an explanation of whether the proposed rule relates to the capacity market and why;</p> <p>(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;</p> <p>(d) a description of the objective or purpose of the proposed rule;</p> <p>(e) a copy of any analysis conducted or commissioned by the ISO supporting the proposed rule, with a description of assumptions and methodology;</p> <p>(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;</p> <p>(g) a description of any alternatives that were explored during consultation and an explanation as to why they were rejected;</p>	<p>Subject to subsection 7.3, an application for approval of a proposed rule must include the following information:</p> <p>(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;</p> <p>(b) an explanation of whether the proposed rule relates to the capacity market and why;</p> <p>(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;</p> <p>(d) a description of the objective or purpose of the proposed rule;</p> <p>(e) <u>how the proposed rule impacts the performance of the capacity market and the electricity market;</u></p> <p>(e) <u>(f)</u> a copy of any analysis conducted or commissioned by the ISO supporting the proposed rule, with a description of assumptions and methodology;</p> <p>(f) <u>(g)</u> 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;</p>	<p>AESO: Phrase “relates to the capacity market” in subsections 7.2(b) and (h) is vague. Recommends clarifying to read “is necessary for the implementation or specific functioning of the capacity market”.</p> <p>7.2(f) and (i) often have overlapping considerations and in some cases, trade-offs with other ISO rules. Believes that FEOC and public interest should be reviewed together along with reliable supply at a reasonable cost.</p> <p>Capital Power: Suggested changes to 7.2(b) to include the energy market and the ancillary services market as it is important to understand how a rule relates to and impacts the electricity market as a whole or else could risk unintended consequences. Further suggest changes to 7.2(e) to include non-commercially sensitive data and add 7.2(j) to include a</p>	<p>The AUC has reflected the language in legislation in this section of the rule to the extent possible.</p> <p>The rule does not require the AESO to explain how a rule is not technically deficient. The AUC has allowed for market participants to comment in consultation under section 6.3 if a rule is technically deficient.</p> <p>The AUC has added subsection 7.2(e) to obtain information about how a proposed rule will affect the capacity market and electricity market.</p>

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		<p>(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</p> <p>(i) an explanation of how the proposed rule supports the public interest.</p>	<p>(g)(h) a description of any alternatives that were explored during consultation and an explanation as to why they were rejected;</p> <p>(h)(i) 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</p> <p>(i)(j) an explanation of how the proposed rule supports the public interest.</p>	<p>description of how the proposed rule is not technically deficient to align with legislation.</p> <p>TransAlta: Recommend changing part (b) to include “whether the proposed rule relates to the capacity or the electricity market...”</p> <p>Concerns that (a) through (i) are not prescriptive enough to ensure the proposed rules are well supported. Rule should include a more detailed list of minimum filing requirements to ensure that there is well developed analysis of alternatives and strong evidence justifying the legal sufficiency of proposed rules.</p> <p>UCA: Application for approval of a proposed rule must explain how the proposed rule applies to the entire market not simply the capacity market.</p> <p>Do not support inclusion of language stating that investors should have the opportunity to recover fixed costs and return on investment in Rule 017.</p>	
7	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.	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.	TransAlta: Section 7.3 should be removed. Frequent application of this section would essentially negate the prudence requirements for proposing rules laid out in 7.2.	There may be situations where an administrative amendment does not require all parts of 7.2 to be completed. The AUC may consider changes if the current approach is ineffective.
		Part 3: Procedures and process for development of proposed provisional rules and proposed initial rules and application for Commission approval	Part 3: Procedures and process for development of proposed provisional rules and proposed initial rules and application for Commission approval		
8	8.1	Definitions In this Part:	Definitions In this Part <u>3</u> :	Capital Power: Unclear why the distinction between “proposed initial rule” and “proposed provisional rule” is	The AUC has reworked the definitions.

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		<p>(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:</p> <ul style="list-style-type: none"> (i) has received provisional approval from the Commission under Section 20.22 of the <i>Electric Utilities Act</i>, or (ii) has not received provisional approval from the Commission under Section 20.22 of the <i>Electric Utilities Act</i> and was: <ul style="list-style-type: none"> 1. directed by the Commission to be considered under Section 20.22 of the <i>Electric Utilities Act</i> pursuant to Section 20.22(4)(c) of the <i>Electric Utilities Act</i>, or 2. developed by the ISO pursuant to Section 41.42(1) of the <i>Electric Utilities Act</i>. <p>(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 <i>Electric Utilities Act</i>.</p>	<p>(a) “proposed initial rule” means a proposed new ISO rule and, a proposed amendment to an existing-ISO rule, which includes, a proposed removal of an existing-ISO rule, or a renewal of an existing-ISO rule that has a fixed term that:</p> <ul style="list-style-type: none"> (i) has received provisional approval from the Commission under Section 20.22 of the <i>Electric Utilities Act</i>, or (ii) has not received provisional approval from the Commission under Section 20.22 of the <i>Electric Utilities Act</i> and was: <ul style="list-style-type: none"> 1. directed by the Commission, <u>pursuant to Section 20.22(4)(c) of the <i>Electric Utilities Act</i></u>, to be considered under Section 20.212 of the <i>Electric Utilities Act</i> pursuant to Section 20.22(4)(c) of the <i>Electric Utilities Act</i>, or 2. developed by the ISO pursuant to Section 41.42(1) of the <i>Electric Utilities Act</i>. <p>(b) “proposed provisional rule” means a proposed new ISO rule and, a proposed amendment to an existing-ISO rule, or which includes a proposed removal of an existing-ISO rule that is developed by the ISO pursuant to Section 41.42(3) of the <i>Electric Utilities Act</i>.</p>	<p>necessary for the purposes of Rule 017, recognizing the distinction arises from the language of Bill 13. Capital Power requested that the AUC clarify and explain how Part 3 applies differently to a “proposed initial rule” versus a “proposed provisional rule” and why.</p> <p>TCE: Recommend change to subsection (a)(ii)1; “directed by the Commission to be considered under Section 20.21...”</p> <p>Seeks clarity with respect to Section 8.1(a)(ii)2. It appears that this section would apply to any proposed rule that has not received provisional approval and was developed by the AESO under Section 41.42(1) of the <i>Electric Utilities Act</i>. A proposed rule developed under Section 41.42(1) would include any rule required for the establishment or operation of the capacity market, both essential or non-essential as determined by the AESO. As such, this would appear to include proposed provisional rules, which TCE expects is not the intent.</p>	
9	9.1	<p>Application</p> <p>This Part expires on the date the Commission issues a decision under Section 20.23 of the <i>Electric Utilities Act</i>.</p>	<p>Application</p> <p>This-Part <u>3</u> expires on the date the Commission issues a decision under Section 20.23 of the <i>Electric Utilities Act</i>.</p>		
10	10.1	<p>Notice for development of proposed provisional rules</p> <p>When the ISO develops or intends to develop 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.</p>	<p>Notice for development of proposed provisional rules</p> <p><u>Prior to filing an application with the Commission for approval of proposed provisional rules, the ISO must issue a list of proposed provisional rules.</u> When the ISO develops or intends to develop a proposed provisional rule, the ISO must issue written notice to the Market Surveillance Administrator, market</p>	<p>AESO: Recommends removing this section as development of the proposed provisional rules is already underway. Sees little to no merit in posting the notice required as a result.</p>	<p>The AUC has amended this section to reflect the fact that work has already begun on the development of provisional ISO rules.</p>

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
10	10.2	<p>The notice must set out:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) written comments; (ii) a notice of intent to participate in consultation; and (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: <ul style="list-style-type: none"> (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 outlined in subsection 10.3 can be accessed. 	<p>participants, and other interested parties prior to developing a proposed provisional rule and must post the notice on the ISO's website.</p> <p><u>Prior to filing an application with the Commission for approval of a proposed provisional rule, the ISO must issue a notice setting out:</u></p> <ul style="list-style-type: none"> (a) <u>the consultation schedule for the proposed provisional rule; the issue that a proposed provisional rule is intended to address;</u> (b) a description of the potential objective or purpose of the proposed provisional rule; <u>(b) the manner in which the Market Surveillance Administrator, market participants, and other interested parties may submit a notice of intent to participate in consultation; and;</u> <u>(c) the deadline date by which a notice of intent to participate in consultation must be received by the ISO.</u> <ul style="list-style-type: none"> (i) written comments; (ii) a notice of intent to participate in consultation; and comment on the form of consultation; (d) the deadline date for comments which must not be less than 15 days from the later of: <ul style="list-style-type: none"> (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 <p>where the information outlined in subsection 10.3 can be accessed.</p>	<p>AESO: Proposed a complete rewrite of this section as the current timetable does not allow for time to consult with stakeholders on the form of consultation for the proposed provisional rules. The consultation plan and schedule will be released before Rule 017 comes into effect. Propose to instead publish a notice with a list of the provisional rules along with details of the consultation process. Believe this meets the intent of section 10.2.</p>	<p>The AUC has redrafted this section to balance adequate and meaningful consultation in the time constraints.</p>
10	10.3	<p>When the notice is posted on the ISO's website, the ISO must also post a copy of any material the ISO considers to be relevant that is related to the need for, the development of, or removal of the proposed provisional rule.</p>	<p>When the notice is posted on the ISO's website<u>Prior to consultation on a proposed provisional rule, the ISO must also post ensure that</u> a copy of any material the ISO considers to be relevant that is related to the need for, the development of, or removal amendment of the proposed provisional rule <u>is available on its website.</u></p>	<p>AESO: Propose removing this section. Stated that relevant material was provided during the Straw Alberta Market and Comprehensive Market Design development phases and information is still posted to the AESO website. Stated that any additional material it considers relevant will be made publicly</p>	<p>The AUC has amended this section to reflect the process that is currently underway. The wording will ensure that the AESO is required to post any additional information not currently available on its website.</p>

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
				<p>available during the ISO rules engagement process.</p> <p>Capital Power: Add language to specify that “any material the ISO considers relevant” to include any relevant analysis it has conducted or commissioned. Believe the AESO should seek to share analysis as early as possible in consultation with stakeholders.</p> <p>ENMAX: Proposes to replace “the ISO considers to be relevant” with “including any data and analysis”. Stated this is designed to enhance transparency and make consultation more effective. The change removes the subjectivity about what the AESO must disclose.</p> <p>TransAlta: AESO should be required to share all data and analysis related to the need for the development of a proposed rule.</p>	
11	11.1	<p>Comments</p> <p>The Market Surveillance Administrator, market participants, and interested parties may:</p> <p>(a) provide general written comments to the ISO on the need for a proposed provisional rule;</p> <p>(b) submit a request to participate in consultation with the ISO; and</p> <p>(c) comment on the form of consultation.</p>	<p>CommentsNotice of intent to participate</p> <p>The Market Surveillance Administrator, market participants, and interested parties may <u>submit a notice of intent to participate in consultation with the ISO on a proposed provisional rule.</u></p> <p>(a) provide general written comments to the ISO on the need for a proposed provisional rule;</p> <p>(b) submit a request to participate in consultation with the ISO; and</p> <p>comment on the form of consultation.</p>	<p>AESO: Propose to remove subsection (a) and (c) as the development is already happening. Proposed additional wording within subsection (b) to relate to the AESO’s proposed language for section 10.2.</p> <p>Capital Power: Supports market participants commenting on the form of consultation and the ISO having the ability to have discretion in establishing the level and form of consultation.</p> <p>UCA: (b) changed to “submit a notice of intent to participate in consultation with the ISO”.</p>	<p>The AUC has amended this section to reflect that the form of consultation has already been released.</p>

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
44	11.2	<p>Within 5 business days of receipt of comments, the ISO must:</p> <p>(a) post all submissions received pursuant to subsection 11.1 on the ISO's website; and</p> <p>(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.</p>	<p>Within 5 business days of receipt of comments, the ISO must:</p> <p>(a) post all submissions received pursuant to subsection 11.1 on the ISO's website; and</p> <p>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.</p>	<p>AESO: Based on its comments for 11.1, the AESO recommends removing 11.2(b). It further requested the AUC to revisit whether posting consultation notices on the AESO website is necessary.</p> <p>IPCAA: AESO should respond to comments.</p> <p>TransAlta: AESO should be required to reply to comments, including explanations of why certain positions were accepted or rejected.</p>	<p>The AUC has removed this section. Consultation requirements are included in Section 12.</p>
12	12.1	<p>Consultation on proposed provisional rules</p> <p>Upon receipt of any notice of intent to participate in consultation, the ISO must:</p> <p>(a) form a consultation group or consultation groups composed of any parties:</p> <p>(i) who submitted a request to participate in consultation; or</p> <p>(ii) that the ISO thinks may be directly affected by the proposed provisional rule;</p> <p>(iii) consult with the consultation group(s) in a manner determined by the ISO to further develop the proposed provisional rule.</p>	<p>Consultation on proposed provisional rules</p> <p>Upon receipt of any notice of intent to participate in consultation, the ISO must:</p> <p>(a) form a consultation group or consultation groups composed of any parties <u>that includes:</u></p> <p>(i) <u>any party</u> who submitted a request to participate in consultation; or <u>and</u></p> <p>(ii) <u>any party</u> that the ISO thinks may be directly affected by the proposed provisional rule;</p> <p>(b) consult with the consultation group(s) in a manner determined by the ISO to further develop the proposed provisional rule.</p>	<p>AESO: Replace "consultation group" with "engagement group"</p> <p>Capital Power: Suggests referencing Section 10 in the first sentence for clarity.</p> <p>TCE: Recommend changing "or" in subsection (a)(i) to "and". TCE believes there to be a minor numbering error in the proposed language and recommends the AUC change the numbering of subsection (a)(iii) to (b).</p> <p>UCA: Replace "or" in (a)(i) with "and".</p>	<p>The AUC has amended this section to clarify that consultation groups will include any stakeholder that submits a notice of intent to participate and any stakeholders that the ISO believes are directly affected.</p> <p>The AUC has amended the drafting error identified by TCE.</p>
12	12.2	<p>When the ISO undertakes consultation with a consultation group or consultation groups under subsection 12.1, the ISO must provide an opportunity for members of the consultation group(s) to make submissions regarding the information required in subsections 13.2(b) through 13.2(j) of this rule.</p>	<p>When the ISO undertakes consultation with a consultation group or consultation groups under subsection 12.1, the ISO must provide an opportunity for members of the consultation group(s) to make submissions regarding the information required in subsections 13.2(b) through 13.2(kj) of this rule.</p>	<p>AESO: change the information required to end at 13.2(i) as it is continuing to work with the demand curve working group on demand curve parameters and procurement volumes may not be developed with sufficient time to allow for stakeholder comment prior to filing.</p> <p>ENMAX: Proposed a number of additions to enhance transparency of the consultation</p>	<p>The AUC has included responses to comments in section 12.5.</p>

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
				process, including providing any data or analysis along with the information required in 13.2(b) through 13.2(i) as well as having the AESO respond to submissions from participants.	
12	12.3	<p>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:</p> <p>(a) proposed provisional rule comment matrix; and</p> <p>(b) request for comment on whether the proposed provisional rule is technically deficient.</p>	<p>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, <u>as drafted, including comments on whether the proposed rule is technically deficient.</u> by way of a:</p> <p>proposed provisional rule comment matrix; and</p> <p>request for comment on whether the proposed provisional rule is technically deficient.</p>	UCA: AESO should be required to reply to all comments, explain why alternatives were accepted or rejected to limit repetition of comments and improve clarity and completeness of record.	The AUC has included responses to comments in section 12.5.
12	12.4	<p>The notice required by subsection 12.3 must:</p> <p>(a) be posted on the ISO's website;</p> <p>(b) include the information required by subsection 10.3, excluding the requirement in subsection 10.3(c)(ii) and 10.3(c)(iii); and</p> <p>(c) include the information required by subsection 10.4.</p>	<p>The notice required by subsection 12.3 must:</p> <p><u>(a) be posted on the ISO's website; and</u></p> <p><u>(b) include</u></p> <p><u>(i) a description of the issue that the proposed provisional rule is intended to address;</u></p> <p><u>(ii) a description of the potential objective or purpose of the proposed provisional rule;</u></p> <p><u>(iii) the manner in which the Market Surveillance Administrator, market participants and other interested parties may submit written comments; and</u></p> <p><u>(iv) the deadline date for comments which must not be less than 15 days from the later of:</u></p> <p><u>1. the date the notice is issued to the Market Surveillance Administrator, market participants, and other interested parties; or</u></p> <p><u>2. the date the notice is issued on the ISO's website.</u></p> <p>(a) include the information required by subsection 10.3, excluding the requirement in subsection 10.3(c)(ii) and 10.3(c)(iii); and</p>	<p>AESO: proposed the removal of 12.4(b) and (c) and provided new language for 12.4(b) in conjunction with its suggested amendments to section 10.2 and the suggested removal of 10.3 and prior removal of 10.4.</p> <p>TransAlta: The subsection references should be conformed to the revised Rule 017; in section 12.4 (b) the references would be to subsection 10.2 and in section 12.4(c) the reference would be to subsection 10.3.</p>	Subsections (b) and (c) have been removed and replaced with a new subsection (b) to include information to support the ability of stakeholders to provide meaningful comments.

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
12	12.5	<p>Within 5 business days of receipt of comments received pursuant to subsection 12.3, the ISO must:</p> <p>(a) post all submissions on the ISO’s website; and</p> <p>(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.</p>	<p>include the information required by subsection 10.4.</p> <p>Within <u>15 business</u> days of receipt of comments <u>receiving comments</u> pursuant to subsection 12.3, the ISO must:</p> <p><u>(a)</u> post all submissions on the ISO’s website;</p> <p>(a)<u>(b)</u> <u>provide written submissions to the comments;</u></p> <p>and</p> <p>(b)<u>(c)</u> <u>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) and 12.5(b) can be accessed.</u></p>	<p>Capital Power: Need to include an obligation for the AESO to post replies to stakeholder comments and alternatives. AESO should be required to respond to questions and requests for clarification in comment matrices and post replies publicly. Proposed language for a new subsection 12.6, resulting in the current 12.6 to become 12.7.</p> <p>CWG: AESO should be required to respond to all comments received. Propose language changes to implement this.</p> <p>IPCAA: AESO should respond to comments.</p> <p>TCE: New Rule 017 should include the reply provisions contained in sections 8-10 of the current Rule 017 to improve Commission understanding of issues, scoping, and overall regulatory efficiency</p> <p>TransAlta: AESO should be required to reply to comments, including explanations of why certain positions were accepted or rejected.</p>	<p>The AUC has amended this section requiring the AESO to respond to comments.</p>
12	12.6	<p>After consulting with the working group(s), the ISO may proceed to make an application to the Commission under Section 13.</p>	<p>After consulting with the working consultation <u>group(s)</u>, the ISO may proceed to make an application to the Commission under Section 13.</p>	<p>AESO: Noted that “working group” should be changed.</p>	
13	13.1	<p>Application for Commission approval of proposed provisional rules and proposed initial rules</p> <p>The ISO must apply to the Commission for approval of a proposed provisional rule and a proposed initial rule.</p>	<p>Application for Commission approval of proposed provisional rules and proposed initial rules</p> <p>The ISO must apply to the Commission for approval of a proposed provisional rule and a proposed initial rule <u>under Section 20.2 of the <i>Electric Utilities Act</i>.</u></p>		

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
13	13.2	<p>An application for approval of a proposed provisional rule or a proposed initial rule must include the following information:</p> <ul style="list-style-type: none"> (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; (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 and an 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. 	<p>An application for approval of a proposed provisional rule or a proposed initial rule must include the following information:</p> <ul style="list-style-type: none"> (a) <u>Aa</u> 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) <u>Aa</u> explanation of whether the proposed provisional rule or proposed initial rule relates to the capacity 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 <u>proposed provisional</u> rule will be in effect for a fixed term and why; <u>(d)</u> <u>Aa</u> description of the objective or purpose of the proposed provisional rule or proposed initial rule; (d)<u>(e)</u> <u>a description of how the proposed provisional rule affects the performance of the capacity market and the electricity market</u>; (e)<u>(f)</u> <u>Aa</u> 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)<u>(g)</u> <u>Aa</u> 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)<u>(h)</u> <u>Aa</u> description of any alternatives that were explored during consultation and an explanation as to why they were rejected; (h)<u>(i)</u> 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)<u>(j)</u> <u>Aa</u> explanation of how the proposed provisional rule or proposed initial rule supports the public interest; and 	<p>Capital Power: Suggested changes to 13.2(b) to include the energy market and the ancillary services market as it is important to understand how a rule relates to and impacts the electricity market as a whole or else could risk unintended consequences. Further suggest changes to 13.2(e) to include non-commercially sensitive data and add 13.2(j) to include a description of how the proposed rule is not technically deficient to align with legislation, which would move current 13.2(j) to 13.2(k).</p> <p>TransAlta: Recommend changing part (b) to include "whether the proposed rule relates to the capacity or the electricity market..." Same comments as 7.2.</p> <p>UCA: The AUC needs to develop rules for CONE and Demand Curve, especially considering the re-occurring need for their approval. Inclusion in separate sections in Rule 017 may be appropriate.</p>	<p>The AUC has reflected the language in legislation in this section of the rule to the extent possible.</p> <p>The rule does not require the AESO to explain how a rule is not technically deficient. The AUC has allowed for market participants to comment in consultation under section 12.3 if a rule is technically deficient.</p> <p>The AUC has added subsection 13.2(e) to obtain information about how a proposed rule will affect the capacity market and electricity market.</p> <p>The AUC will continue consultation on Rule 017 as soon as possible as it relates to the demand curve.</p>

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
			(j)(k) For an application for approval of a proposed provisional rule, the ISO's targeted capacity procurement volumes for the first two capacity market auctions.		
13	13.3		<u>If the ISO has not complied with any of the requirements to consult in sections 10 or 12 for any proposed provisional rule, it must describe the deficiency in its consultation and provide an explanation of why its consultation was deficient.</u>		This Section acknowledges the compressed time frame that current consultation is operating under.
13	13.43	The Commission may establish additional application requirements for proposed provisional rules and proposed initial rules.	The Commission may establish additional application requirements for proposed provisional rules and proposed initial rules.	AESO: Requests clarification if this section is included to address the scoping exercise that the Commission will be undertaking later this year. If so, it requests the AUC be more specific. Otherwise, the AESO stated it is unsure of whether it can comply with additional application requirements if they are introduced on an ad hoc basis due to the time constraints.	The AUC has retained this option in order to expedite the request for additional information as the scope of the provisional rule process is further defined.
14	14.1	Notice and consultation for proposed initial rules Following the Commission's order under Section 20.22(4) of the <i>Electric Utilities Act</i> (the "provisional decision"), for proposed initial rules that were not developed pursuant to Section 41.42(1) of the <i>Electric Utilities Act</i> , 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.	Notice and consultation for proposed initial rules <u>The Commission may direct additional consultation with respect to the proposed provisional rules that have been provisionally approved by the Commission.</u> Following the Commission's order under Section 20.22(4) of the <i>Electric Utilities Act</i> (the "provisional decision"), for proposed initial rules that were not developed pursuant to Section 41.42(1) of the <i>Electric Utilities Act</i>, 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.		The AUC has simplified this section.
14	14.2	When the ISO identifies an issue, or receives a complete proposal under Section 20.81 of the <i>Electric Utilities Act</i> , that, in the opinion of the ISO, may require a proposed initial rule to be developed pursuant to Section 41.42(1) of the <i>Electric Utilities Act</i> , the ISO must provide notice and consult in the manner required by sections 10 through 12.	When the ISO identifies an issue, or receives a complete proposal <u>pursuant to its process</u> under Section 20.81 of the <i>Electric Utilities Act</i> , that, in the opinion of the ISO, may requires <u>the development of</u> a proposed initial rule to be developed pursuant to Section 41.42(1) of the <i>Electric Utilities Act</i> , the ISO must provide notice and consult in the manner required by sections 10 through 12.	AESO: Recommended removing this section as the AUC must complete its regular consideration of the capacity market rules within 24 months of filing. There will not be sufficient time to re-consult on the same ISO rules.	This section is not requiring the same rules to be re-consulted on.

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
				IPCAA: Need to clarify what "complete proposal" means.	
15	15.1		<p><u>Application for Commission approval of proposed initial rules</u></p> <p><u>The ISO must apply to the Commission for approval of a proposed initial rule under Section 20.2 of the <i>Electric Utilities Act</i>.</u></p>		This section has been added to make the rule simpler and more reflective of the order of events that will occur.
15	15.2		<p><u>An application for approval of a proposed initial rule must include the following information:</u></p> <p><u>(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 subsection 14.1;</u></p> <p><u>(b) an explanation of whether the proposed initial rule relates to the capacity market and why;</u></p> <p><u>(c) an explanation of whether or not the rule will be in effect for a fixed term and why;</u></p> <p><u>(d) a description of the objective or purpose of the proposed initial rule;</u></p> <p><u>(e) a description of how the proposed initial rule affects the performance of the capacity market and the electricity market;</u></p> <p><u>(f) a copy of any analysis conducted or commissioned by the ISO supporting the proposed initial rule, with a description of assumptions and methodology;</u></p> <p><u>(g) an explanation of why the 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;</u></p> <p><u>(h) a description of any alternatives that were explored during consultation and an explanation as to why they were rejected;</u></p>		

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
			<p><u>(i) a description of how the proposed initial rule supports ensuring a reliable supply of electricity at a reasonable cost to customers; and</u></p> <p><u>(j) an explanation of how the proposed initial rule supports the public interest.</u></p>		
<u>15</u>	<u>15.3</u>		<u>The Commission may establish additional application requirements for proposed initial rules.</u>		
		Part 4: Application for Commission approval of expedited rules	Part 4: Application for Commission approval of expedited rules		
<u>165</u>	<u>165.1</u>	<p>Definitions</p> <p>In this Part:</p> <p>(a) “expedited ISO rule” means a proposed rule for which the Commission has approved expedited implementation under Section 20.6 of the <i>Electric Utilities Act</i>.</p> <p>(b) “proposed rule” has the meaning given to it in Part 2 of this rule.</p>	<p>Definitions</p> <p>In this Part <u>4</u>:</p> <p>(a) “expedited ISO rule” means a proposed rule for which the Commission has approved expedited implementation under Section 20.6 of the <i>Electric Utilities Act</i>.</p> <p>(b) “proposed rule” has the meaning given to it in Part 2 of this rule.</p>		
<u>176</u>	<u>176.1</u>	<p>Application</p> <p>Subject to subsection 17.2, Part 2 of this rule does not apply to:</p> <p>(a) applications for expedited implementation of proposed rules; or</p> <p>(b) expedited rules.</p>	<p>Application</p> <p>Subject to subsection <u>187.2</u>, Part 2 of this rule does not apply to <u>applications for expedited implementation of proposed rules.:</u></p> <p>(a) applications for expedited implementation of proposed rules; or</p> <p>expedited rules.</p>		
<u>17</u>	<u>17.2</u>		<u>Unless otherwise directed by the Commission, Part 2 of this rule does not apply to expedited ISO rules.</u>		The Commission may direct the AESO to conduct consultation in accordance with certain sections of Rule 017 in its expedited rule decision.
<u>187</u>	<u>187.1</u>	<p>Expedited rule applications</p> <p>The ISO must apply for Commission approval for expedited implementation of a proposed rule.</p>	<p>Expedited rule applications</p> <p>The ISO must apply for Commission approval for expedited implementation of a proposed rule <u>under Section 20.6 of the <i>Electric Utilities Act</i>.</u></p>	AESO: Suggested removing as it duplicates section 20.6 of the EUA.	The AUC has included this section as it provides context for the rest of Section 18.

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
187	187.2	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.	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.	<p>Capital Power: AESO should notify the market of a forthcoming expedited rule as soon as it has determined that one is necessary.</p> <p>CWG: AESO should provide notice to the market that it is developing a rule that may require expedition at the point rule development begins rather than at the application stage. Suggest language to implement this.</p>	The AUC may consider changes to this part of the rule if the current approach is ineffective.
187	187.3	<p>An application for Commission approval for expedited implementation of a proposed rule must include:</p> <p>(a) a copy of the proposed rule for which expedited implementation is sought; and</p> <p>(b) a description of:</p> <ul style="list-style-type: none"> (i) the urgent risk to the reliable supply of electricity, if any; (ii) the urgent risk to the safe and reliable operation of the interconnected electric system, if any; or (iii) the reason for requesting expedited implementation of the proposed rule if it does not fall within (i) or (ii). 	<p>An application for Commission approval for expedited implementation of a proposed rule must include:</p> <p>(a) a copy of the proposed rule for which expedited implementation is sought; and</p> <p>(b) a description of:</p> <ul style="list-style-type: none"> (i) the urgent risk to the reliable supply of electricity, if any; (ii) the urgent risk to the safe and reliable operation of the interconnected electric system, if any; or (iii) the reason for requesting expedited implementation of the proposed rule if it does not fall within (i) or (ii). 		
187	187.4	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.	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.	<p>Capital Power: Proposed a new subsection indicating that once approved, an expedited rule is subject to the requirements of Part 2.</p> <p>IPCAA: Expedited rules should include a sunset clause to ensure the rule goes through the full AUC review process.</p> <p>TCE: Once a rule is approved on an expedited basis, AUC should include a consultation requirement prior to the rule being considered under EUA 20.21 to reduce regulatory burden.</p>	The AUC considers that the process after an expedited order is given may be the best place to determine the next steps of the ISO rule. The order may include direction that the AESO must consult within a given timeframe before the ISO rule continues to be given normal consideration.

Section	Subsection	Existing	Proposed changes	Stakeholder comment	AUC staff response
				<p>TAC: Section 17 should be clarified in respect of which consultation and minimum filing requirements in Part 2, if any, will apply to the section 20.21 EUA full review process for an expedited rule (as referred to in subsection 20.6(6) of the EUA).</p> <p>Need clarification of consultation and filing requirements for full review process of expedited rules – should be treated like other proposed ISO rules.</p>	

General category	General stakeholder comments	AUC staff response	Section of Rule 017
AESO response to comments	<p>AltaLink: There needs to be AESO responses to stakeholder comments and rationale for accepting or rejecting comments. Without this step, it may lead to regulatory inefficiency due to parties needing to intervene and ask information requests.</p>	<p>The AUC has added a requirement for the AESO to respond to comments in the consultation stage.</p>	<p>Section 6.5 and Section 12.5.</p>
Timelines	<p>AltaLink: Needs to be established timelines for notifications, the consultation process and for the submission of the application for approval of ISO rules. This would ensure parties are aware of the process and the timelines needed for approval of an ISO rule. Absent of timelines, AltaLink stated that it will trust that the AESO will take every step to ensure all parties are aware of the timelines for submission and consultation on ISO rules as part of its requirement to complete a consultation process under the proposed amendments to Rule 017.</p>	<p>Varying complexities of AESO rules and consultation requirements will make set deadlines for consultation periods difficult and may put a significant burden on the AESO as well as stakeholders to complete a consultation within timelines dictated by a rule. The AUC is not considering applying specific timelines for consultations within Rule 017. The AUC has provided a deadline for the AESO to respond to stakeholder comments.</p>	
Information documents and business practices	<p>CanSIA: Supportive of the consultation and filing requirements regarding authoritative documents, but concerned with the AESO's ability to determine which documents are authoritative and which are not. Information documents used to supplement authoritative documents often have significant impacts on market participants, but they do not need to be consulted on or approved so there is no easy recourse for market participants to go to the Commission. CanSIA provided an example where the AESO changed the point of supply within the ISO tariff from the 138 kV bus to the 25 kV feeder level and noted this will have a significant impact on existing and planned distribution connected generation.</p> <p>CanSIA submitted that a section should be added to Rule 017 addressing the concern that the AESO currently has unilateral power to change information documents and business practices which can change the economics for market participants without consultation or regulatory oversight. CanSIA responded to AUC comments during the consultation that complaints about AESO conduct are available, but replied that the process is restrictively burdensome as the market participant needs to win a regulatory proceeding against the AESO.</p> <p>CWG: Anything that places a requirement on market participants should be an authoritative document. At minimum, there should be a defined process that allows market participants to challenge AESO categorization of documents.</p>	<p>Stakeholders will have the ability to propose ISO rules under Section 20.81 of the <i>Electric Utilities Act</i>.</p>	
Removal of Section 13 – Reliance on completed	<p>Capital Power: Understands the removal is to reflect that the AESO is still required to consult on draft rules. Supports the removal subject to confirmation from the AUC that the significant consultation that has</p>	<p>Material from the consultation work under the Straw Alberta Model and the Comprehensive Market Design may be considered by the</p>	

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consultation	happened to date will be given due consideration by the Commission during the rule approval process.	Commission if the AESO or an intervener adds it to the record.	
Use of the consultation record in a hearing	<p>ENMAX: Concern that market participants could circumvent the hearing process by making alternative ISO rule proposals in the AESO’s consultation process, which would form part of the proceeding record, and then not attend the hearing. This would prejudice market participants attending the hearing as they would not be able to ask information requests or cross examine the party. Suggested that unsupported evidence will not be considered in the Commission’s adjudication of an AESO rule. Claim that market participants may have an expectation that the Commission will give their submissions equal weight to those supported in the hearing process.</p>	The AUC will not specify formal weighting criteria within Rule 017. The persuasiveness of any portion of the record will be at the discretion of the Commission.	
Governance of market design parameters	<p>ENMAX: Ongoing governance of parameters such as the demand curve and the cost of new entry are critical to the success of the capacity market. The absence of a governance structure in the current market design increases the risks and uncertainties borne by market participants.</p> <p>TCE: If an ISO rule does not require that certain demand curve parameters be approved by the AUC on an annual basis, similar to tariff updates, AUC should consider adding this to Rule 017.</p> <p>UCA: Need for specific accommodation to address demand curve. Yearly review of demand curve parameters could be addressed in Rule 017 or another rule.</p>	The AUC will continue to consult on Rule 017 as it relates to the ISO rules that pertain to the demand curve and related elements and will communicate this process as soon as possible.	
Scope of the preliminary hearing	<p>CWG: Commission should hold a technical workshop in late 2018 to discuss scoping.</p> <p>Concerned with the possibility of different rules being approved in the provisional process from the rules approved in the full 18-month process. This creates significant investor uncertainty. Suggest changing the timeline of rule approval: “As long as the pre-qualification and qualification rules are approved provisionally and the AESO is able to begin these activities in late 2019, then the auction can occur after the final rules are approved through the 18-month process.</p> <p>ENMAX: There is considerable uncertainty about the scope of the AUC’s fall hearing and encourages the AUC to communicate the intended scope of the proceeding in as much detail as possible at its earliest convenience. ENMAX noted that market participants will need</p>	A notice for the proceeding was released on July 23, 2018.	

General category	General stakeholder comments	AUC staff response	Section of Rule 017
	to dedicate internal and external resources to the proceeding to meaningfully participate in it.		
Cost allocation	IPCAA: Will AUC review capacity cost allocation? Will this be a part of Rule 17?	The scope of Rule 017 will remain the same as it exists today, to manage the ISO rule development, consultation and filing process. Cost allocation is outside of the scope of Rule 017.	
Expedited rules	CWG: The language of AUC Rule 017 should be clear that the AESO is still required to consult on the rule and apply for the rule following the Commission approval of expedited implementation. Suggest adding Section 18 to implement this. Included proposed language.	The need for consultation after the expedited portion of an expedited ISO rule proceeding will be determined by the Commission in its order.	
Commission-directed amendments to ISO rules and AESO compliance filings	CWG: Concerns about lack of consultation by the AESO and shortened Commission process for rule changes required through Commission decisions. Test at this point is simply compliance with the Commission direction and not the more rigorous public interest, FEOC, and not technically deficient. This type of rule change should be subject to the same consultation and process requirements as new rule or rule amendment.	Any further consultation required due to the Commission directing a change to an ISO rule will be determined by the Commission in its decision.	
Provisional rule approval process	IPCAA: Concerned that this review will address only rules related to the capacity market without a holistic perspective including the whole electricity market.	The provisional rule approval process will apply to all ISO rules that are required to initiate the capacity market, including new and amended ISO rules that relate to the energy and ancillary services markets.	
Other AUC rules	UCA: Other AUC rules may be impacted by capacity market rules. A process for reviewing the impacts should be considered.	Required changes to other AUC rules as a result of the capacity market, such as AUC Rule 021, will be considered as soon as practical.	