

February 2, 2022

Alberta Electric System Operator
Suite 2500, 330 – 5 Avenue SW
Calgary, AB
T2P 0L4

Dear Pauline McLean and Miranda Keating Erickson:

Re: AESO Fast Frequency Response Pilot Project (“FFR Pilot”) – Update to The List of FFR Pilot Impact Rules

We are writing further to our letter dated March 23, 2021 (the “Forbearance Letter”)¹ granting forbearance to the Independent System Operator, operating as the Alberta Electric System Operator (the “AESO”), and the FFR MPS relating to the FFR Pilot.

Following recent discussions between the AESO and the Market Surveillance Administrator (the “MSA”), the MSA understands that the AESO has identified additional ISO rules that may be affected by the FFR Pilot. These additional ISO rules include section 7 of ISO rule 203.4, section 10 of ISO rule 205.5, section 6 of ISO rule 205.6, and section 3(2) of ISO rule 303.1 (collectively, the “Additional ISO Rules”).

Based on information presented by the AESO, the MSA is satisfied that contraventions of the Additional ISO Rules in relation to the FFR Pilot are unlikely to unduly impair the safe, reliable, and economic operation of the Alberta interconnected electric system. Accordingly, the MSA has included the Additional ISO Rules in the list of FFR Pilot Impact Rules. The MSA and the AESO agree that the amended definition of “FFR Pilot Impact Rules” in the Forbearance Letter now reads as follows:

- section 3 of ISO rule 203.1, *Offers and Bids for Energy*;
- sections 2 and 4 of ISO rule 203.3, *Energy Restatement*;
- sections 2, 3, 4, 6, and 7 of ISO rule 203.4, *Delivery Requirements for Energy*;
- sections 4, 5, and 6 of ISO rule 205.2, *Issuing Dispatches and Directives for Operating Reserves*;

¹ Forbearance Letter: [AESO Fast Frequency Response Pilot Project \(“FFR Pilot”\) – AESO Request for Forbearance re certain ISO rules](#). All capitalized terms not otherwise defined shall have the meaning ascribed to such terms in the Forbearance Letter.

- section 10 of ISO rule 205.5, *Spinning Reserve Technical Requirements and Performance Standards*;
- section 6 of ISO rule 205.6, *Supplemental Reserve Technical Requirements and Performance Standards*; and
- sections 3(2) and 9 of ISO rule 303.1, *Load Shed Service for Imports*,

(the foregoing ISO rules collectively referred to as the “FFR Pilot Impact Rules”).

The Forbearance Letter, as amended by this letter, is and continues in full force and effect and is hereby confirmed and the rights and obligations of all parties under the Forbearance Letter shall not be affected or prejudiced in any manner except as specifically provided for in this letter.


The AESO and the MSA agree to communicate this matter to the Alberta electricity industry and the public by posting a copy of this letter on their respective websites in a timely manner and at such time as mutually agreed upon.

If acceptable, please sign and return a copy of this letter at your earliest convenience acknowledging the granting of your request and the associated terms and conditions. This letter may be signed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Yours truly,

MARKET SURVEILLANCE ADMINISTRATOR

Derek
Olmstead



Digitally signed by
Derek Olmstead
Date: 2022.02.02
12:25:03 -07'00'

Derek Olmstead
Market Surveillance Administrator

The AESO hereby acknowledges the granting of the request and agrees with the associated terms and conditions outlined in this letter as of this 4th day of February, 2022.

**INDEPENDENT SYSTEM OPERATOR, operating as the
ALBERTA ELECTRIC SYSTEM OPERATOR**

 Digitally signed
by Miranda
Keating Erickson
Date: 2022.02.04
16:10:29 -07'00'

Miranda Keating Erickson
Vice President, Markets

**Pauline
McLean** Digitally signed by
Pauline McLean
Date: 2022.02.03
12:42:53 -07'00'

Pauline McLean
Vice President, Law, General Counsel and Corporate Secretary