
Preamble: Section 3 of section 8, Classification of Participant-Related and System-Related Costs, strictly classifies Remedial Action Schemes (RAS) as participant-related costs. However, the AESO did note in its November 26, 2009 responses back to stakeholder comments on 2010 tariff proposals that “a remedial action scheme may be implemented as part of a system project. In such a case, the costs would not be associated with a connection project for system access service and therefore would not be considered participant-related costs.” The AESO should ensure that the terms and conditions provide for RAS that is system-related.

CPC submitted comments on November 10 in response to information shared with stakeholders at the AESO’s Tariff Stakeholder session held on November 2, 2009. In our comments, we asked the AESO to clarify the criteria used to classify Remedial Action Schemes (RAS) as participant-related and system-related costs. The AESO responded to our comments and noted that the discussion paper dated July 3, 2009, Transmission Constraints Management: RAS in the Planning Stage, refers to the concept of system RAS as separate and distinct from any local protection scheme. The discussion paper mentions two key criteria that differentiate a system RAS from other forms of RAS, those criteria are:

- Material to the transmission system reliability (e.g. if RAS fails to operate when requested, or operates incorrectly, could cause cascading or equipment damage or, the RAS supports a system operating limit), and
- Is required to meet performance requirements in a Transmission Planning standard.

Request:

(a) Is the criteria mention in the discussion paper currently used to determine if a RAS is system-related? If not, please provide the criteria currently used to determine if RAS is system-related.

(b) Please explain how the terms of the proposed tariff would allow for RAS to be classified as system-related?

(c) Will the AESO be engaging in further consultation to refine and/or revise the criteria presented in the RAS in the Planning Stage discussion paper? If so, what is the process and timing of that consultation? How will any changes to the terms of the tariff be handled?
Response:

(a) The AESO confirms that the criteria mentioned in the discussion paper are used, together with RAS criteria from the current AESO *Transmission Reliability Criteria* and from NERC and WECC reliability criteria policies.

(b) Subsection 2 of section 8 of the proposed tariff limits the costs of connection project to those that:

- are required to:
  - provide system access service to a new point of delivery or point of supply; or
  - increase the capacity of or improve system access service to an existing point of delivery or point of supply; and

- are reasonably required to meet the market participant’s:
  - demand and supply forecast; and
  - reliability and operating requirements.

Projects required for system-related expansions, upgrades, and maintenance are not addressed by the ISO tariff. In particular, costs associated with a system remedial action scheme would not be included in the costs of a market participant’s connection project as defined by subsection 2 of section 8 of the ISO tariff.

(c) The further development of RAS rules and business practices will be addressed through revising the AESO *Transmission Reliability Criteria*, currently in process at the AESO. The revision will reflect the transmission planning (TPL) Alberta reliability standards that were approved as a part of the initiative to adopt NERC reliability standards as Alberta reliability standards. The AESO is targeting the third quarter of 2010 for consultation on the revisions to the AESO *Transmission Reliability Criteria*. 