



July 15, 2010

Dear Market Participants and Interested Parties:

Re: Letter of Notice – North American Electric Reliability Corporation (“NERC”) Modeling, Data, and Analysis (“MOD”) Reliability Standard Proposed for Rejection as an Alberta Reliability Standard:

a) MOD-008-0 Documentation and Content of Each Regional TRM Methodology (the “NERC Standard”)

Section 19 of the *Transmission Regulation* requires the AESO to consult with market participants likely to be directly affected by the Alberta Electric System Operator’s (“AESO”) adoption or making of reliability standards, and also requires the AESO to forward the proposed reliability standard to the Alberta Utilities Commission (“AUC” or “Commission”) for review along with the AESO’s recommendation that the AUC approve or reject them.

Accordingly, the AESO is providing notice and seeking comments from market participants on the attached NERC Standard.

Following the AESO’s receipt of and reply to comments from market participants regarding the NERC Standard, the AESO intends to forward the NERC Standard to the AUC for review and rejection as a reliability standard that applies in Alberta.

Applicability of the Proposed Reliability Standard

MOD-008-0 has been assessed by the AESO as not being applicable in Alberta. The standard requirements are applicable to the Western Electricity Coordinating Council (“WECC”) as the Regional Reliability Organization and not to any Alberta entities. It requires the WECC to promote the consistent application of transmission transfer capability margin calculations among Transmission Service Providers and Transmission Owners.

Summary of the Proposed Reliability Standard

The purpose of MOD-008-0 is to promote the consistent application of transmission transfer capability margin calculations among transmission service providers and transmission owners. Each Regional Reliability Organization is required to develop a methodology for calculating transmission reliability margin. The methodology is to comply with the NERC definition for transmission reliability margin, the NERC Reliability Standards, and applicable Regional criteria.

Implementation of Alberta Reliability Standards

All reliability standards proposed for approval or rejection by the AESO are based on the reliability standards and definitions developed, or approved, and enforced by the North American Electric Reliability Corporation (“NERC”). NERC was certified as the Electric Reliability Organization (“ERO”) for the United States by the Federal Energy Regulatory



Commission (“FERC”) under the US *Energy Policy Act of 2005*. NERC has been granted recognition as the ERO by the Minister of Energy in Alberta pursuant to Section 20 of the *Transmission Regulation*.

In accordance with Section 19 of the *Transmission Regulation*, the reliability standards that apply in Alberta are those of the ERO or any other reliability standards to the extent that such reliability standards are adopted by the AESO after consultation with market participants and after receipt of Commission approval.

Further information regarding the AESO’s adoption or rejection of reliability standards is available on the AESO website at <http://www.aeso.ca/rulesprocedures/17004.html> .

AESO Papers and Other Related Communications

The AESO has not issued any AESO papers or other related communications with respect to the NERC Standard.

Request for Stakeholder Comments

Comments and suggestions on the proposed rejection of the NERC Standard are encouraged.

The attached Stakeholder Comparison Comment Rationale Matrix sets out the following:

- a) link to the complete text of NERC MOD-008-0;
- b) the AESO’s rationale with regard to rejection of the NERC standard;
- c) a ‘stakeholder comments’ section to be used by market participants when providing written comments to the AESO; and
- d) an ‘AESO replies’ section that will be used by the AESO to respond to comments received from market participants, if any.

Please use the attached Stakeholder Comparison Comment Rationale Matrix when submitting comments to the AESO on the rejection of the NERC Standard. Only written comments will be considered by the AESO in finalizing the proposed rejection of the NERC Standard.

Please provide written stakeholder comments or questions by **August 15, 2010** to Jerry Mossing at ars_comments@aeso.ca.

The AESO will be publishing all stakeholder comments received for industry review shortly after the comment deadline. Stakeholder Comments received along with AESO replies to the comments will be published with the final rejection of the NERC Standard being recommended for internal AESO approval in September, 2010.



Attachments to Letter of Notice

The following document is attached to this Letter of Notice:

- [Stakeholder Comparison Comment Rationale Matrix](#)
- Copy of NERC reliability standard [MOD-008-0](#)

Yours sincerely,

Original Signed By

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Attachments

