



July 20, 2010

Dear Market Participants and Interested Parties:

**Re: Letter of Notice – Proposed New ISO Rules Part 300, System Reliability and Operations, Division 302 Transmission Constraint Management, Section 302.2 Connection Remedial Action Schemes (“Proposed New ISO rule 302.2”)**

The Alberta Electric System Operator (“AESO”) is providing notice and seeking feedback from market participants on the attached Proposed New ISO rule 302.2 pursuant to Section 2 of the Alberta Utilities Commission’s (“AUC” or “Commission”) Rule 017.

### **Applicability**

Proposed New ISO rule 302.2 applies to all market participants and will be of specific interest to connection customers and to market participants in local constrained areas.

### **Summary of New ISO Rule 302.2**

Proposed New ISO rule 302.2 documents the obligations of both market participants and the AESO in determining the need for and the use of a connection remedial action scheme (“Connection RAS”) to facilitate the connection of customers to the system in advance of the completion of the construction of all necessary system facilities. A remedial action scheme (RAS) is used to manage technical or system issues that cannot be managed by the AESO system controller in real time.

An Information Document – Connection Remedial Action Schemes was created to support the Proposed New ISO rule 302.2. [Click here](#) to view the Information Document or visit the AESO website at <http://www.aeso.ca/> and follow the path Rules & Standards > Information Documents or Rules & Standards > ISO Rules > Current ISO Rules > New ISO Rules Framework. The Information Document describes how Connection RAS may be employed by the AESO to connect customers prior to system reinforcements.

### **Background**

The *Transmission Regulation* requires the AESO to make rules and establish practices respecting the management of transmission constraints that may occur from time to time<sup>1</sup>. As such, the AESO consulted on and filed the Transmission Constraints Management Rule 9.4 (the “TCM Rule”) with the Commission in April, 2008. The TCM Rule was intended to be a real

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<sup>1</sup> *Transmission Regulation* 86/2007 section 17.



time protocol and did not include specific provisions regarding the use of RAS. The AESO continues to consult with industry on the need for RAS rules and other RAS business practice documentation as part of its overall consultations on constraints management.

To provide reliable system operation, the AESO is required under the *Transmission Regulation* to utilize reliability criteria which are designed to ensure that there are adequate transmission resources available to the system controller to maintain system reliability through a wide variety of load levels, generation dispatches, interchange levels, adverse weather conditions and system outages. In some cases a RAS may be required to satisfy the criteria and maintain reliable operation.

Connection RAS are specifically related to constraints associated with customer connections. Other types of RAS, generally referred to in the July 2009 RAS discussion paper as “System RAS” will be addressed as part of the AESO’s ongoing consultation on the Alberta Reliability Standards and upcoming consultation on the Reliability Criteria in 2010.

Given the specific nature and uniqueness of the connection RAS when planning the system and its impact on generator system access, it is the AESO’s view that overarching connection RAS rules are required.

Proposed New ISO rule 302.2 will be located in the new ISO rules framework under Part 300, System Reliability and Operations, Division 302 Transmission Constraint Management, Section 302.2 Connection Remedial Action Schemes.

### **AESO Papers and Other Related Communication**

On July 3, 2009, the AESO published a discussion paper entitled “AESO Discussion Paper Transmission Constraints Management: RAS in the Planning Stage” which discussed the use of RAS and documented current practices and identified some policy related questions for consultation with industry. Stakeholder comments on the discussion paper and the AESO responses to those comments were published in a comment response matrix on December 3, 2009.

On July 21, 2009, the AESO published an overview letter “Overview of AESO’s approach to pending ISO Rules and OPPs related to Transmission Constraints Management and Remedial Actions Schemes” which outlined the AESO’s approach to finalizing and implementing the TCM Rule, to consulting on RAS rules and practices and described the handling of relevant OPPs in the interim.

On July 20, 2010, the AESO published an update to the July 21, 2009 overview letter which outlined the AESO’s plans for finalizing and implementing the TCM Rule and reiterated the overall approach the AESO will take with respect to the related changes to various Operating Policies and Procedures (“OPPs”) required for new customer interconnections.

To view the AESO papers and communications [Click here](#) or follow the path Market > Market Policy Implementation > Congestion Management.



## Request for Stakeholder Comments

Comments and suggestions on the Proposed New ISO rules 302.2 are encouraged. Please use the attached comment matrix when submitting comments to the AESO on Proposed New ISO rule 302.2. The AESO's rationale has been provided within the comment matrix. Only written comments will be considered in finalizing New ISO rule 302.2.

Please provide written stakeholder comments or questions by **August 31, 2010**, to Paul Glatthor at [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca) or (403) 539-2464.

The AESO will be publishing all stakeholder comments received for industry review shortly after the comment deadline. Stakeholder Comments received and the AESO's replies to the comments will be published with the final proposed New ISO rules 302.2 being recommended for internal AESO approval.

## Attachments to Letter of Notice

In accordance with Section 4 of AUC Rule 017, the following documents are attached to this Letter of Notice:

- a) [Clean copy](#) of proposed New ISO rules 302.2 under the new ISO rules framework; and
- b) [Copy](#) of the comment-rationale matrix for the proposed New ISO rules 302.2.

Yours sincerely,

*Original Signed By*

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Attachments