

September 30, 2010

To: Alberta Utilities Commission (“AUC” or “Commission”)

Re: Notice of Filing – North American Electric Reliability Corporation (“NERC”) Modeling, Data and Analysis (“MOD”), Interconnection Reliability Operations and Coordination (“IRO”) and Personnel Performance, Training, and Qualifications (“PER”) Reliability Standards Proposed for Rejection as Alberta Reliability Standards:

- a) **MOD-011-0 Maintenance and Distribution of Steady-State Data Requirements and Reporting Procedures;**
- b) **MOD-028-1 Area Interchange Methodology;**
- c) **MOD-030-1 Flowgate Methodology;**
- d) **IRO-004-2 Reliability Coordination Operations Planning; and**
- e) **PER-002-0 Operating Personnel Training (collectively the “NERC Standards”)**

1. The Alberta Electric System Operator (“AESO”) is recommending the rejection of the NERC Standards for application as Alberta Reliability Standards pursuant to Section 19 of the *Transmission Regulation*.

Summary of NERC Standards and Reason for Rejection

NERC MOD-011-0 Maintenance and Distribution of Steady-State Data Requirements and Reporting Procedures

2. The purpose of NERC MOD-011-0 is to establish consistent data requirements, reporting procedures and system models to be used in the analysis of the reliability interconnected transmission systems.
3. The AESO has determined that NERC MOD-011-0 is not applicable in Alberta as its requirements apply to the WECC (as the Regional Reliability Organization) and not to any Alberta entity.

NERC MOD-028-1 Area Interchange Methodology

4. The purpose of NERC MOD-028-1 is to increase consistency and reliability in the development and documentation of transfer capability calculations for short-term use performed by entities using the area interchange methodology to support analysis and system operations.
5. The AESO has determined that NERC MOD-028-1 is not applicable in Alberta as Alberta does not use the area interchange methodology for determining available transfer capability. The rated path methodology will be described in MOD-029-AB-1 and will be applied in Alberta for determination of available transfer capability on rated paths. The AESO’s recommendation to adopt MOD-029-AB-1 is currently being consulted on with stakeholders.

NERC MOD-030-1 Flowgate Methodology

6. The purpose of NERC MOD-030-1 is to increase consistency and reliability in the development and documentation of transfer capability calculations for short-term use as performed by entities using the flowgate methodology to support analysis and system operations.
7. The AESO has determined that NERC MOD-030-1 is not applicable in Alberta as Alberta does not use the flowgate methodology for determining available transfer capability. The rated path methodology will be described in MOD-029-AB-1 and will be applied in Alberta for determination of available transfer capability on rated paths. The AESO's recommendation to adopt MOD-029-AB-1 is currently being consulted on with stakeholders.

NERC IRO-004-2 Reliability Coordination – Operations Planning

8. The purpose of NERC IRO-004-1 is to require that each reliability coordinator conduct next-day reliability analyses for its reliability coordinator area to ensure the bulk electric system can be operated reliably in anticipated normal and contingency conditions. System studies must be conducted to highlight potential interface and other operating limits, including overloaded transmission lines and transformers, voltage and stability limits, etc. Plans must be developed to alleviate system operating limit and Interconnection reliability operating limit violations.
9. The AESO has determined that NERC IRO-004-2 is not applicable in Alberta as the AESO will respond to WECC Reliability Coordinator directives in accordance with IRO-001-AB-1. The AESO's recommendation to adopt IRO-001-AB-1 is currently being consulted on with stakeholders.

NERC PER-002-0 Operating Personnel Training

10. The purpose of NERC PER-002-0 is to require that each transmission operator and balancing authority must provide their personnel with a coordinated training program that will ensure reliable system operation.
11. The AESO has determined that NERC PER-002-0 is not applicable in Alberta as PER-005-AB-1 will include operating personnel training requirements. This is consistent with the NERC Board of Trustees approval of NERC PER-005-1 that includes the retirement of NERC PER-002-0. The AESO's recommendation to adopt PER-005-AB-1 is currently being consulted on with stakeholders.

Summary of AESO Consultation

12. On June 17, 2010, the AESO posted on its website and included in its stakeholder newsletter a [Letter of Notice](#), including the rationale for the rejection of the proposed NERC Standards and requested comments from market participants and interested parties.
13. On July 26, 2010, the AESO posted the [Stakeholder Comment](#) received in response to the June 17, 2010 Letter of Notice. On August 5, 2010 the AESO posted its [reply](#) to the written comment received on the June 17, 2010 Letter of Notice.

AESO Reply to Stakeholder Comments

14. On August 5, 2010, the AESO posted its reply to the written stakeholder comment received on the June 17, 2010 Letter of Notice. The comment received was in support of the recommended rejection of the NERC Standards.

Attachments to Notice of Filing

15. Please find the following attached to this Notice of Filing:
- a) [Letter of Notice](#) dated June 17, 2010 forwarded to market participants and interested parties the AESO considered likely to be affected by the proposed rejection of the NERC Standards and which was posted on the AESO website on June 17, 2010;
 - b) [Stakeholder Comments](#) on the June 17, 2010 Letter of Notice posted on the AESO website on July 26, 2010, setting out the written comments received, the name of the market participant or other parties who submitted each comment and the date on which the comment was submitted;
 - c) [AESO Reply Letter](#) posted on the AESO website on August 5, 2010; and
 - d) Copies of the following NERC Standards:
 - i. [MOD-011-0](#) Maintenance and Distribution of Steady-State Data Requirements and Reporting Procedures;
 - ii. [MOD-028-1](#) Area Interchange Methodology
 - iii. [MOD-030-1](#) Flowgate Methodology
 - iv. [IRO-004-2](#) Reliability Coordination Operations Planning; and
 - v. [PER-002-0](#) Operating Personnel Training

Yours sincerely,

<original signed by>

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Attachments