

April 28, 2011

Dear Market Participants and Interested Parties:

**Re: Stakeholder Consultation for Proposed Alberta Reliability Standard: Facilities Design, Connections and Maintenance “System Operating Limits Methodology for the Planning Horizon” FAC-010-AB-2.1 (“FAC-010-AB-2.1”)**

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

Accordingly, the AESO is providing notice and seeking comments from market participants on the attached proposed FAC-010-AB-2.1.

Following the AESO’s receipt of and reply to comments from market participants regarding the proposed FAC-010-AB-2.1, the AESO intends to finalize proposed FAC-010-AB-2.1 and forward it to the Commission for review and approval as a reliability standard that applies in Alberta.

#### **Applicability of proposed FAC-010-AB-2.1**

Proposed FAC-010-AB-2.1 is applicable to:

- the AESO

#### **Summary of proposed FAC-010-AB-2.1**

The purpose of proposed FAC-010-AB-2.1 is to ensure that system operating limits used in the reliable planning of the bulk electric system are determined based on an established methodology or methodologies.

#### **Summary of Amendments to NERC Standard FAC-010-2.1**

Proposed FAC-010-AB-2.1 has been amended as follows:

1. The applicability section has been amended to correctly identify the applicable entities in Alberta and to align with the defined terms included in the AESO’s *Consolidated Authoritative Documents Glossary*;
2. NERC requirements R1, R3, R4, and R5 have been amended for clarity and consistency;
3. NERC requirement R2 has been amended to clarify that performance requirements are to be included in the system operating limit methodology;

4. NERC sub-requirements R2.2, R2.2.1, R2.2.2, R2.2.3, R2.3, R2.3.1, and R2.3.2 are included as Alberta requirement R2.2;
5. NERC sub-requirement R2.4 is included in Alberta requirement R2.3;
6. NERC sub-requirements R2.5, R2.6 and R2.6.1 are included in Alberta requirement R2.4;
7. Passive terms such as “shall” have been changed to “must”, a consistent writing style has been applied, requirements have been clarified, and measures have been appropriately aligned with requirements. In addition, defined terms now appear in bold font rather than italics; and the use of acronyms is limited to the ‘ISO’ and the ‘WECC’ with all other defined terms being written out in full.
8. The WECC regional difference included in section E of the NERC standard FAC-010-2.1 has been included in the Alberta reliability standard as requirements R3 through R3.3.
9. Proposed FAC-010-AB-2.1 has also been amended to include certain “Alberta variances”<sup>1</sup> from the NERC standard. These variances have been included to ensure that proposed FAC-010-AB-2.1 properly aligns with the industry structure in Alberta and is capable of being applied in Alberta. A summary of these variances are as follows:
  - a) NERC requirement R2.1 requires that changes to system topology such as facility outages be reflected in the bulk electric system condition when determining system operating limits. In Alberta, in the planning time horizon, facility outages are generally not analyzed. These will be addressed in the operational system operating limits.
  - b) The following footnote in NERC requirement R2.2 is not a specific requirement and was deleted from the Alberta reliability standard:
 

“The Contingencies identified in R2.2.1 through R2.2.3 are the minimum contingencies that must be studied but are not necessarily the only Contingencies that should be studied.”
  - c) The application of the WECC Regional Difference E1 of Alberta requirement R3 is only for interconnections with other jurisdictions outside Alberta. The AESO has confirmed with the WECC that this interpretation is correct. Further the AESO’s interpretation of the application of the WECC Regional Difference E1 is consistent with the intent of WRS1 of the WECC regional criteria TPL–(001 thru 004)–WECC–1–CR System Performance Criteria.
  - d) Regional Difference E1.1.5 identifies a non-three phase fault. Alberta requirement R3.1 has been amended to a single-line-ground fault to be consistent with the references to a single-line-ground fault proposed in project WECC-0071 Modification of TPL–(001 thru 004)–WECC–1–CR Criterion. The AESO has confirmed with the WECC that this identification is correct.

### 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*.

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<sup>1</sup> An Alberta variance is a change from the US Reliability Standard that the AESO has determined is material.  
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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 of reliability standards is available on the AESO website at <http://www.aeso.ca/rulesprocedures/17004.html>.

### **Request for Stakeholder Comments**

Comments and suggestions on proposed FAC-010-AB-2.1 are encouraged.

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

- a) the complete text of NERC FAC-010-2.1, with the exception of the compliance section D. The Alberta reliability standards do not contain a compliance section. Compliance with all Alberta reliability standards is completed in accordance with the Alberta Reliability Standards Compliance Monitoring Program, available on the AESO website at: <http://www.aeso.ca/loadsettlement/17189.html>. For information, a link is provided to NERC compliance section D in the Stakeholder Comparison Comment Rationale Matrix;
- b) the proposed Alberta requirements and measures;
- c) the AESO's rationale with regard to any Alberta variances or other modifications to the NERC wording;
- d) a 'stakeholder comments' section to be used by market participants when providing written comments to the AESO; and
- e) 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 proposed FAC-010-AB-2.1. Only written comments will be considered by the AESO in finalizing proposed FAC-010-AB-2.1.

Please provide written stakeholder comments or questions no later than **May 27, 2011** to Jerry Mossing at [ars\\_comments@aeso.ca](mailto:ars_comments@aeso.ca).

### **AESO Replies to Stakeholder Comments**

The AESO will be publishing all stakeholder comments received shortly after the comment deadline. Stakeholder comments received along with AESO replies to the comments will be published in June 2011.

In the event that the AESO does not receive comments from stakeholders regarding proposed FAC-010-AB-2.1, the AESO is expecting to forward along with its recommendation to approve proposed FAC-010-AB-2.1 to the Commission in July 2011.

## Attachments

The following documents are attached:

- a) [Stakeholder Comparison Comment Rationale Matrix](#) for proposed FAC-010-AB-2.1.

The full text of all NERC reliability standards is available on the NERC website:  
<http://www.nerc.com/page.php?cid=2|20>

## Proposed Effective Date

The AESO proposes that proposed FAC-010-AB-2.1 becomes effective on April 1, 2012.

Yours sincerely,

*Original Signed By*

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Attachments