

August 4, 2011

Dear Market Participants and Interested Parties:

Re: Stakeholder Consultation on Proposed “Package 11” New, Amended and Removed Reliability Standard Definitions (“Reliability Standards Definition Changes”)

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 standards to the Alberta Utilities Commission (“Commission”) for review, 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 Reliability Standards Definition Changes.

Following the AESO’s receipt of and reply to comments from market participants regarding the proposed Reliability Standards Definition Changes, the AESO intends to finalize the proposed Reliability Standard Definition Changes and forward them to the Commission for review and approval as definitions that apply to reliability standards that apply in Alberta.

Applicability

The proposed Reliability Standards Definition Changes apply to all market participants.

Summary of proposed Reliability Standards Definition Changes

The AESO is no longer incorporating by reference definitions from the ISO rules for use in reliability standards. Accordingly the AESO is reviewing definitions used in the reliability standards (i) to ensure that they are specifically approved for use in such documents; (ii) to address conflicts and gaps; (iii) to improve and standardize language; and (iv) to remove existing definitions in reliability standards that are not used.

“Package 11” Reliability Standards Definitions to be added

The following new reliability standards definitions have generally been approved for use in the ISO rules and are now being proposed for use in the reliability standards and to be incorporated into the AESO’s *Consolidated Authoritative Document Glossary*:

- a) aggregated generating facility;
- b) apparent power;
- c) business day;
- d) collector bus;
- e) generating unit;
- f) interconnected electric system;
- g) ISO;
- h) legal owner;
- i) market participant;

- j) maximum authorized real power;
- k) operator;
- l) power factor;
- m) reactive power;
- n) real power; and
- o) transmission system.

“Package 11” Reliability Standards Definitions to be amended

Amendments are proposed to the existing reliability standards definition of “balancing authority area” to align with the definition of such term in the ISO rules and for such revised definition to be incorporated into the AESO’s *Consolidated Authoritative Document Glossary*.

“Package 11” Reliability Standards Definitions to be removed

The following existing reliability standards definitions are proposed for removal from the reliability standards glossary:

- a) corrective action plan;
- b) facility;
- c) facility rating;
- d) frequency deviation;
- e) high voltage direct current or HVDC;
- f) owner of industrial system;
- g) rating;
- h) schedule
- i) stability
- j) stability limit;
- k) surge;
- l) system;
- m) tie-line;
- n) Transmission-Maintenance and Inspection Plan or TMIP; and
- o) Transmission vegetation management plan or TVMP.

If the above definition removals are approved, the effective date of the definition for reliability standards will then be removed from the AESO’s *Consolidated Authoritative Document Glossary*. If the definition only applies to reliability standards, then the entire definition will be removed from same.

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 an 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 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 the proposed Reliability Standards Definition Changes are encouraged.

Please use the attached comment matrix when submitting comments to the AESO on the proposed Reliability Standards Definition Changes. The AESO's rationale for the proposed Reliability Standards Definition Changes has been provided within the comment matrix. Only written comments will be considered by the AESO in finalizing the proposed Reliability Standard Definition Changes.

Please provide written stakeholder comments or questions no later than **August 19, 2011** to Mark Thompson at 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 August 2011.

If the AESO does not receive comments from stakeholders regarding the proposed Reliability Standards Definition Changes, the AESO is expecting to forward along with its recommendation to approve the proposed Reliability Standard Definition Changes to the Commission in September, 2011.

Attachments

The following documents are attached:

- a) Copy of the [comment-rationale matrix](#), for the proposed Reliability Standards Definition Changes.

Proposed Effective Date

The AESO proposes that the proposed Reliability Standards Definition Changes become effective on September 30, 2011.

Yours sincerely,

Original Signed By

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Attachments