

September 8, 2011

Dear Market Participants and Interested Parties:

**Re: Stakeholder Consultation for Proposed Alberta Reliability Standard:  
Resource and Demand Balancing *Automatic Time Error Correction* BAL-004-WECC-AB-1  
("BAL-004-WECC-AB-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 attached proposed BAL-004-WECC-AB-1.

Following the AESO's receipt of and reply to comments from market participants regarding proposed BAL-004-WECC-AB-1, the AESO intends to finalize proposed BAL-004-WECC-AB-1 and forward it to the Commission for approval as a reliability standard that applies in Alberta.

#### **Applicability of proposed BAL-004-WECC-AB-1**

Proposed BAL-004-WECC-AB-1 is applicable to:

- the AESO.

#### **Summary of proposed BAL-004-WECC-AB-1**

The purpose of this reliability standard is to maintain interconnection frequency within a predefined frequency profile under all conditions and to ensure that automatic time error corrections are effectively conducted in a manner that does not adversely affect the reliability of the western interconnection.

#### **Summary of Amendments to NERC Standard BAL-004-WECC-1**

Proposed BAL-004-WECC-AB-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. The effective date has been amended to allow a reasonable amount of time for Alberta entities to implement this reliability standard;
3. Drafted Alberta requirement R1, R1.1, R2 and R10 in accordance with the reliability standard drafting principles to add clarity to the requirements;
4. WECC requirement R2 contains two requirements that have been divided into Alberta requirements R3 and R4 to separate the responsibilities of the AESO;

5. WECC requirement R3 contains two requirements that have been divided into Alberta requirements R5 and R6 to separate the responsibilities of the AESO;
6. WECC requirement R4 contains two requirements that have been divided into Alberta requirements R7 and R8 to separate the responsibilities of the AESO;
7. WECC requirement R4.1 has been amended to clarify that all Interconnection Time Monitor references have been amended to refer to WECC Reliability Coordinator who is the interconnection time monitor;
8. WECC requirement R4.3 has been amended to reflect AESO operating practices;
9. 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;
10. Proposed BAL-004-WECC-AB-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 BAL-004-WECC-AB-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) The AESO added requirement R1.2, allowing the AESO to disable automatic time error correction to ensure that reliability is maintained;
  - b) The AESO has removed references to hourly adjustments in requirement R11 because the western interchange tool only allows for monthly adjustments; and
  - c) Requirement R12 has been amended such that the AESO only synchronizes its time error when it is synchronized to the remainder of the western interconnection; and
11. The AESO recognizes that there is content overlap with proposed BAL-004-WECC-AB-1 and content in ISO OPP 309 – *Saskatchewan Inadvertent Energy Management*, ISO OPP 310 – *Alberta-Saskatchewan Interchange Verifications*, and ISO OPP 311 – *Alberta-BC Interchange Verifications*. The AESO is in the process of removing existing ISO OPPs 309, 310 and 311 as part of the Transition of Authoritative Document (“TOAD”) project in 2011.

### **Separate Consultation on Removal of Related ISO OPPs**

Existing ISO OPP 308 was reviewed in conjunction with proposed Alberta reliability standards BAL-004-WECC-AB-1. In the AESO’s opinion, the procedures in existing ISO OPP 308 are obsolete as the AESO does not complete bilateral inadvertent energy payback any longer within the WECC region. The AESO follows inadvertent energy procedures established in the WECC region which meet the requirements documented in BAL-004-WECC-AB-1. Please note that as SaskPower Corporation (“SaskPower”) is not considered part of the WECC region. The AESO follows NERC standards with regards to managing inadvertent energy payback with SaskPower.

The proposed removal of Existing ISO OPP 308 is being consulted on separately pursuant to AUC Rule 017. ([Click here](#) to view the Letter of Notice for the Removal of OPP 308 dated September 8, 2011)

---

<sup>1</sup> An Alberta variance is a change from the US Reliability Standard that the AESO has determined is material.

## Separate Consultation on related New BAL Reliability Standards Definitions

As part of the development of proposed BAL-004-WECC-AB-1, the AESO has determined the need for four new definitions that are being proposed for use in the reliability standards and to be incorporated into the AESO's *Consolidated Authoritative Document Glossary*.

In conjunction with the consultation on proposed BAL-004-WECC-AB-1, the AESO will be consulting on the New BAL Reliability Standards Definitions separately. ([Click here](#) to view the Letter of Notice for the New BAL Reliability Standards Definitions dated September 8, 2011)

## 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 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 BAL-004-WECC-AB-1 are encouraged.

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

- a) the complete text of NERC BAL-004-WECC-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 variance 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 BAL-004-WECC-AB-1. Only written comments will be considered by the AESO in finalizing proposed BAL-004-WECC-AB-1.

Please provide written stakeholder comments or questions no later than **September 30, 2011** to Jasmine Qadri 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 October, 2011.

Please ensure that comments provided represent all interests within each stakeholder organization with respect to proposed BAL-004-WECC-AB-1.

In the event that the AESO does not receive comments from stakeholders regarding proposed BAL-004-WECC-AB-1, the AESO is expecting to forward along with its recommendation to approve proposed BAL-004-WECC-AB-1 to the Commission in November, 2011.

## **Attachments**

The following documents are attached:

- a) [Stakeholder Comparison Comment Rationale Matrix](#) for proposed BAL-004-WECC-AB-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 BAL-004-WECC-AB-1 becomes effective on October 1, 2012.

Yours sincerely,

*Original Signed By*

Paul Glatthor  
Manager, Authoritative Documents Process  
Ph: (403) 539-2464  
E-mail: [paul.glatthor@aeso.ca](mailto:paul.glatthor@aeso.ca)

Attachments