

September 8, 2011

Dear Market Participants and Interested Parties

Re: Stakeholder Consultation on Proposed New Resource and Demand Balancing (“BAL”) Reliability Standard Definitions (“New BAL Reliability Standards Definitions”)

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 New BAL Reliability Standards Definitions.

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

Applicability

The proposed New BAL Reliability Standards Definitions apply to all market participants.

The proposed New BAL Reliability Standards Definitions are closely related to proposed Alberta reliability Standards BAL-004-AB-1 *Time Error Correction* and BAL-004-WECC-AB-1 *Automatic time Error Correction* currently being consulted on separately.

Summary of proposed New BAL Reliability Standards Definitions

As part of the development of the proposed BAL Alberta reliability standards, the AESO has determined the need for four new definitions being proposed for use in the reliability standards and to be incorporated into the AESO’s *Consolidated Authoritative Document Glossary*.

The following are the new reliability standards definitions being proposed for use in the reliability standards and to be incorporated into the AESO’s *Consolidated Authoritative Document Glossary*:

- a) flat frequency;
- b) frequency error;
- c) time error; and
- d) time error correction.

Separate Consultation on Alberta Reliability Standards

In conjunction with the consultation on the proposed New BAL Reliability Standards Definitions, the AESO will be consulting on proposed Alberta reliability standards BAL-004-AB-1 *Time Error Correction* and BAL-004-WECC-AB-1 *Automatic time Error Correction* separately.

[Click here](#) to view the Letter of Notice for proposed Alberta reliability standard BAL-004-AB-1 dated September 8, 2011.

[Click here](#) to view the Letter of Notice for proposed Alberta reliability standard BAL-004-WECC-AB-1 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 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 New BAL Reliability Standards Definitions are encouraged.

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

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

Please ensure that comments provided represent all interests within each stakeholder organization with respect to the proposed New BAL Reliability Standards Definitions.

If the AESO does not receive comments from stakeholders regarding the proposed New BAL Reliability Standards Definitions, the AESO is expecting to forward along with its recommendation to approve the proposed New BAL Reliability Standards Definitions to the Commission in November, 2011.

Attachments

The following documents are attached:

- a) Copy of the [comment-rationale matrix](#), for the proposed New BAL Reliability Standards Definitions.

Proposed Effective Date

The AESO proposes that the proposed New BAL Reliability Standards Definitions become effective on October 1, 2012 to align with the effective dates of proposed Alberta reliability standards BAL-004-AB-1 and BAL-004-WECC-AB-1.

Yours sincerely,

Original Signed By

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Attachments