

September 13, 2011

Dear Market Participants and Interested Parties:

**Re: Stakeholder Consultation for Proposed Alberta Reliability Standard:
Emergency Preparedness and Operations *Emergency Operations Planning* EOP-001-AB-2
(previously consulted on as EOP-001-AB-1)
("EOP-001-AB-2")**

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 EOP-001-AB-2.

Following the AESO's receipt of and reply to comments from market participants regarding proposed EOP-001-AB-2, the AESO intends to finalize proposed EOP-001-AB-2 and forward it to the Commission for approval as a reliability standard that applies in Alberta.

Applicability of proposed EOP-001-AB-2

Proposed EOP-001-AB-2 is applicable to:

- (a) the operator of a transmission facility that is part of the bulk electric system; and
- (b) the ISO.

This reliability standard does not apply to the operator of a transmission facility whose transmission facility is a radial connection from a generating unit or an aggregated generating facility to either the transmission system or to transmission facilities within the city of Medicine Hat.

Summary of proposed EOP-001-AB-2

The purpose of this reliability standard is to define requirements for the development, maintenance, implementation and coordination of plans to mitigate operating emergencies.

Background of Consultation on EOP-001-AB-1

On September 9, 2009, the AESO issued a Letter of Consultation and commenced consultation on proposed reliability standard EOP-001-AB-1 *Emergency Operations Planning* and requested stakeholder comments on same.

During the AESO's consultation on proposed EOP-001-AB-1, the North American Electric Reliability Corporation ("NERC") Board of Trustees approved NERC standard EOP-001-2 *Emergency Operations Planning* replacing existing NERC EOP-001-1 *Emergency Operations Planning*.

The AESO received and considered stakeholder comments in response to its September 9, 2009 Letter of Notice. The AESO's replies are set out in the attached AESO Replies document, and a summary of the stakeholder comments received and the AESO's reply to these comments is included below.

AESO Reply to Stakeholder Comments on September 9, 2009 Letter of Notice

The written comments received by the AESO in response to proposed Alberta Reliability Standard EOP-001-AB-1 attached to its September 9, 2009 Letter of Notice and the AESO's replies to these comments are attached and a summary of resulting changes to proposed EOP-001-AB-2 are summarized below:

- a) Participants expressed concerns regarding a missing requirement for coordination of plans for system restoration. In response to these concerns, the AESO replied that requirement R6 in EOP-001-AB-1 to develop, maintain and implement a set of plans for system restoration has been removed from the latest version of the NERC and proposed EOP-AB-001-2. These requirements and coordination of restoration plans will be addressed in Alberta Reliability Standard EOP-005-AB-2 *System Restoration Plans*;
- b) Measure MR3 in proposed EOP-001-AB-2 was revised to include evidence that plans to mitigate operating emergencies exist as required in requirement R3;
- c) Measure MR5 in proposed EOP-001-AB-2 was revised to state that emergency plans exist and contain items listed in requirement R5.

Summary of Amendments to NERC Standard EOP-001-2

Proposed EOP-001-AB-2 has been amended as follows:

1. Entity terms have been amended to correctly identify the applicable entities in Alberta and to align with terms included in the AESO *Consolidated Authoritative Documents Glossary*;
2. NERC requirement R2.1 has been amended to identify the applicable entity in Alberta and specify the type of plan as a "capacity and energy emergency plan" to align with the reference to this type of plan in proposed EOP-002-AB-2;
3. NERC requirement R2.2 and R2.3 have been amended to identify the Alberta reliability entities applicable to each requirement;
4. NERC requirement R2.4 has been removed as this requirement was in the previous NERC EOP-001-1 version of this reliability standard, and has been removed from NERC EOP-001-2;
5. NERC requirement R3 has been amended for clarity and consistency. Amendments have been made to include that shedding of load is not an appropriate action for all emergencies. As well, amendments have been made to proposed EOP-001-AB-2 to include a procedure for adjusting staffing levels in NERC EOP-001-2 requirement R3.4. The NERC requirement states that emergency plans shall include, "staffing levels for the emergency". However, staffing levels are difficult to specify since they may vary depending on the nature, complexity, and duration of the emergency;
6. NERC requirement R5 has been separated into four requirements (R7-R10) to distinguish responsibilities for updating and distributing emergency plans, and to separately identify the responsibilities of the AESO and of an operator of a transmission facility. In addition, amendments have been made to the review period of emergency plans to align with other Alberta reliability standards;
7. NERC requirement R6 has been deleted as this requirement is redundant with the adoption of Alberta requirement R4.3;

8. NERC requirement R6.1 has been removed as the content of this requirement will be covered in requirements R1 and R2 of proposed Alberta Reliability Standard COM-001-AB-1.1 *Telecommunications* that is currently under development;
9. Attachment 1 has been re-named Appendix 1, and a corresponding footnote has been added;
10. Passive terms such as “shall” have been changed to “must”, to apply a consistent writing style, to clarify requirements, and to ensure that measures are 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; and
11. Proposed EOP-001-AB-2 has also been amended to include certain “Alberta variances” from the NERC standard. These variances have been included to ensure that proposed EOP-001-AB-2 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 R1 has been amended by removing “including provisions to obtain emergency assistance from remote Balancing Authorities”. The AESO does not have the ability to obtain transmission rights from other transmission providers in order to obtain emergency assistance from remote balancing authorities;
 - b) NERC requirement R4 states applicable elements in Attachment 1-EOP-001-0 are to be included in emergency plans. However, the items in Appendix 1 only apply to a capacity and energy emergency as stated in Alberta requirement R5;
 - c) NERC requirement R6.2 has been removed as the AESO enters into operating agreements with adjacent balancing authorities that contain provisions for emergency assistance in accordance with proposed EOP-001-AB-2 requirement R1. Further, the NERC requirement for arranging new interchange agreements to provide for emergency capacity or energy transfers was not adopted as the AESO uses market mechanism to obtain energy from market participants during emergencies;
 - d) NERC requirement R6.3 to coordinate transmission and generator maintenance schedules to maximize capacity or conserve the fuel in short supply is not applicable in Alberta as it goes against the market structure in Alberta; and
 - e) NERC requirement R6.4 to arrange deliveries of electrical energy or fuel from remote systems through normal operating channels is not applicable in Alberta as it goes against the market structure in Alberta.

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 EOP-001-AB-2 are encouraged.

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

- a) the complete text of NERC EOP-001-2, 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 text of proposed EOP-001-AB-1 that was previously consulted on September 9, 2009, and provided as reference only;
- c) the proposed Alberta requirements and measures of proposed EOP-001-AB-2;
- d) the AESO's rationale with regard to any Alberta variances or other modifications to the NERC wording;
- e) a 'stakeholder comments' section to be used by market participants when providing written comments to the AESO; and
- f) 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 EOP-001-AB-2. Only written comments will be considered by the AESO in finalizing proposed EOP-001-AB-2.

Please provide written stakeholder comments or questions by **October 7, 2011** to Neil Curtis at ars_comments@aeso.ca.

AESO Replies to Stakeholder Comments

The AESO will be publishing all stakeholder comments received for industry review 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 EOP-001-AB-2.

In the event that the AESO does not receive comments from stakeholders regarding proposed EOP-001-AB-2, the AESO is expecting to forward along with its recommendation to approve proposed EOP-001-AB-2 to the Commission in December, 2011.

Attachments

The following documents are attached:

- a) AESO [Replies](#) to the September 9, 2009 Letter of Consultation; and
- b) [Stakeholder Comparison Comment Rationale](#) for proposed EOP-001-AB-2.

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 EOP-001-AB-2 become effective on October 1, 2012.

Yours sincerely,

Original Signed By

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Attachments