

September 27, 2011

Dear Market Participants and Interested Parties:

**Re: Second Consultation on Proposed Alberta Reliability Standard:
Protection and Control *Disturbance Monitoring Equipment Installation and Data Reporting*
PRC-018-AB-1
("PRC-018-AB-1 Draft 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 further comments from market participants on attached proposed PRC-018-AB-1 Draft 2.1

Following the AESO's receipt of and reply to comments from market participants regarding proposed PRC-018-AB-1 Draft 2.1, the AESO intends to finalize proposed PRC-018-AB-1 Draft 2.1 and forward it to the Commission for approval as a reliability standard that applies in Alberta.

Applicability of proposed PRC-018-AB-1 Draft 2.1

Proposed PRC-018-AB-1 Draft 2.1 is applicable to:

- the legal owner of a transmission facility that owns disturbance monitoring equipment as identified in the list as required in Alberta requirement R1, as published by the AESO on the AESO website and as amended from time to time by the AESO on notice to market participants;
- the legal owner of a generating unit that owns disturbance monitoring equipment as identified in the list as required in Alberta requirement R1, as published by the AESO on the AESO website and as amended from time to time by the AESO on notice to market participants;
- the legal owner of an aggregated generating facility that owns disturbance monitoring equipment as identified in the list as required in Alberta requirement R1, as published by the AESO on the AESO website and as amended from time to time by the AESO on notice to market participants; and
- the AESO.

Previous Stakeholder Consultation

On July 15, 2010, the AESO posted a [Letter of Notice](#) and commenced consultation on proposed PRC-018-AB-1 and a new definition for incorporation into the AESO's *Consolidated Authoritative Documents Glossary* and requested stakeholder comments on the same.

The AESO received and considered stakeholder comments in response to its July 15, 2010 Letter of Notice, made further amendments to proposed PRC-018-AB-1 as a result of written comments received, and is of the view that the additional amendments now warrant re-consultation.

Accordingly, the AESO is now re-consulting on proposed PRC-018-AB-1 Draft 2.1. [Click here](#) to view the AESO replies to written comments received by the AESO regarding PRC-018-AB-1 and new definition attached to its July 15, 2010 Letter of Notice.

Summary of proposed PRC-018-AB-1 Draft 2.1

The purpose of proposed PRC-018-AB-1 Draft 2.1 is to ensure that disturbance monitoring equipment is installed and that disturbance data is reported in accordance with regional requirements to facilitate analyses of events.

Summary of Amendments to NERC Standard PRC-018-1

Proposed PRC-018-AB-1 Draft 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. The effective date has been amended to October 1, 2012, to allow a reasonable amount of time for Alberta entities to implement proposed PRC-018-AB-1 Draft 2.1;
3. NERC requirement R1 has been amended in proposed PRC-018-AB-1 Draft 2.1 to identify requirements of the responsible entities in Alberta and for clarity and consistency. As well, reference to PRC-002, as included in the NERC requirement, has been removed as these requirements apply to the Western Electricity Coordinating Council ("WECC"). The AESO will review new requirements as they are developed by WECC and consult appropriately with market participants;
4. Alberta requirement R2 has been added to proposed PRC-018-AB-1 Draft 2.1 to capture the Alberta requirements of a legal owner of a transmission facility;
5. NERC requirement R2 has been amended in proposed PRC-018-AB-1 Draft 2.1 to identify the responsible entities in Alberta and for clarity and consistency. As well, the AESO will review and implement, as appropriate, relevant requirements and standards that are developed by the WECC.
6. NERC requirement R3 has been amended in proposed PRC-018-AB-1 Draft 2.1 to identify the responsible entities in Alberta and for clarity and consistency. As well, NERC requirement R3 has been divided into Alberta requirements R4 and R5 for a legal owner of a transmission facility, legal owner of a generating unit and legal owner of an aggregated generating facility to report to the AESO, and for the AESO to report to the WECC (as referred to in Alberta requirement R5).
7. NERC requirement R4 has been divided into Alberta requirements R6 and R7 such that a legal owner of a transmission facility, legal owner of a generating unit and legal owner of an aggregated generating facility provide disturbance data to the AESO, and for the AESO to provide disturbance data to the WECC.
8. NERC requirements R5 and R6 have been amended in proposed PRC-018-AB-1 Draft 2.1 for clarity and consistency.
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; and

10. Proposed PRC-018-AB-1 Draft 2.1 has also been amended to include certain “Alberta variances”¹ from the NERC standard. These variances have been included to ensure that proposed PRC-018-AB-1 Draft 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 R3 has been amended in proposed PRC-018-AB-1 Draft 2.1 to add a time period by which data on disturbance monitoring equipment is to be submitted to the AESO. This has been included to add clarity and to make the Alberta requirement R3 measurable;
 - b) New Alberta requirement R5 has been added in proposed PRC-018-AB-1 Draft 2.1 to include a time period by which data on disturbance monitoring equipment is to be submitted to the WECC. This has been included to add clarity and to make Alberta requirement R5 measurable;
 - c) NERC requirement R4 has been amended in proposed PRC-018-AB-1 Draft 2.1 to add a time period by which disturbance data recorded by disturbance monitoring equipment is to be submitted to the AESO and to the WECC. This has been included to add clarity and to make the Alberta requirement R4 measurable; and
 - d) NERC requirement R6 states that entities must “have” a maintenance and testing program for Disturbance Monitoring Equipment (“DMEs”). For clarity, “develop, maintain and implement” has been added to the Alberta requirement R9 in proposed PRC-018-AB-1 Draft 2.1.

Separate Consultation on related New Reliability Standards Definitions

As part of the development of proposed PRC-018-AB-1 Draft 2.1, the AESO has determined the need for a new definition “disturbance monitoring equipment” to be 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 PRC-018-AB-1 Draft 2.1, the AESO will be consulting on the new reliability standard definition separately. ([Click here](#) to view the Letter of Notice for the new Reliability Standard Definition dated September 27, 2011)

Disturbance Monitoring Equipment Locations

As referenced in proposed PRC-018-AB-1 Draft 2.1, the AESO has attached below a disturbance monitoring equipment document identifying the applicable disturbance monitoring equipment locations and the amending procedures to include any new locations to the list. This meets the AESO obligations under Alberta requirement R1 that the AESO must maintain and publish a list of all disturbance monitoring equipment.

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.

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

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 PRC-018-AB-1 Draft 2.1 are encouraged.

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

- a) the complete text of NERC PRC-018-1, 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 text of proposed PRC-018-AB-1 that was previously consulted on July 15, 2010, and provided as reference only;
- c) the proposed Alberta requirements and measures of proposed PRC-018-AB-1 Draft 2.1;
- d) the AESO's rationale with regard to any Alberta variance 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 PRC-018-AB-1 Draft 2.1. Only written comments will be considered by the AESO in finalizing proposed PRC-018-AB-1 Draft 2.1.

Please provide written stakeholder comments or questions no later than **October 21, 2011** to Dan Shield 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 November, 2011.

Please ensure that comments provided represent all interests within each stakeholder organization with respect to proposed PRC-018-AB-1 Draft 2.1

In the event that the AESO does not receive comments from stakeholders regarding proposed PRC-018-AB-1 Draft 2.1, the AESO is expecting to forward along with its recommendation to approve proposed PRC-018-AB-1 Draft 2.1 to the Commission in December, 2011.

Attachments

The following documents are attached:

- a) [Stakeholder Comparison Comment Rationale Matrix](#) for proposed PRC-018-AB-1 Draft 2.1; and

b) Copy of the [Disturbance Monitoring Equipment Locations](#).

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 PRC-018-AB-1 Draft 2.1 becomes effective on October 1, 2012.

Yours sincerely,

Original Signed By

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Attachments