

November 3, 2011

Dear Market Participants and Interested Parties:

**RE: AESO Reply to Stakeholder Comments on Second Consultation on Proposed Alberta Reliability Standard:  
Resource and Demand Balancing *Disturbance Control Performance* BAL-002-AB-1  
("BAL-002-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 proposed reliability standards to the Alberta Utilities Commission ("Commission") for review along with the AESO's recommendation that the Commission approve or reject them.

Accordingly, the AESO issued a [Stakeholder Consultation Letter](#) on September 27, 2011 providing notice and seeking comments from market participants on proposed BAL-002-AB-1 Draft 2.1.

The AESO's reply is 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.

In addition, the final proposed BAL-002-AB-1 Draft 2.1 ("Final Proposed BAL-002-AB-1 Draft 2.1") is attached.

### **Summary of proposed BAL-002-AB-1 Draft 2.1**

Please see the AESO's September 27, 2011 Stakeholder Consultation Letter for a summary of proposed BAL-002-AB-1 Draft 2.1.

### **AESO Reply to Stakeholder Comments**

The AESO received written comments from one stakeholder in response to proposed BAL-002-AB-1 Draft 2.1 attached to its September 27, 2011 Stakeholder Consultation Letter. The AESO's replies to these comments are summarized below:

1. ATCO Power commented that it was not clear if the definition of "contingency" included interconnection and requested clarification by the AESO. In response to this comment the AESO replied and confirmed that the definition of "contingency" includes interconnection. The AESO further clarified that the definition of "contingency" includes the unexpected failure of a system component such as a transmission line. As an interconnection is a transmission line, it therefore falls under the definition of "contingency".
2. ATCO Power commented by suggesting that requirement R6 of proposed BAL-002-AB-1 Draft 2.1 be revised to include a provision to determine the most severe single largest contingency as soon as possible after any large system changes. In response to this comment, the AESO replied that it disagreed with ATCO Power's proposed revisions, as in the AESO's opinion, Alberta requirement R6, as written, provides the AESO with sufficient flexibility to determine the most severe single contingency to account for any large system changes by using the phrase "at least once a calendar year".

No changes have been made to Final Proposed BAL-002-AB-1 Draft 2.1 as a result of these stakeholder comments.

### **Forwarding Final Proposed BAL-002-AB-1 Draft 2.1 to the Commission**

Pursuant to Section 19 of the *Transmission Regulation*, the AESO intends to forward Final Proposed BAL-002-AB-1 Draft 2.1 to the Commission on November 21, 2011, with the AESO's recommendation that the Commission approve Final Proposed BAL-002-AB-1 Draft 2.1 as an Alberta Reliability Standard.

Final Proposed BAL-002-AB-1 Draft 2.1 is proposed to be effective on October 1, 2012.

### **Attachments to AESO Reply**

1. [AESO Replies](#) to the September 27, 2011 Stakeholder Consultation [Letter](#), including stakeholder comments; and
2. [Clean](#) copy of the Final Proposed BAL-002-AB-1 Draft 2.1.

Yours sincerely,

*Original Signed By*

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Attachments