

November 22, 2011

To: Alberta Utilities Commission (“AUC” or “Commission”)

Re: Notice of Filing – Proposed “Package 11” New, Amended and Removed Reliability Standard Definitions (“Final Proposed Reliability Standards Definition Changes”)

1. The Alberta Electric System Operator (“AESO”) is forwarding and recommending that the Commission approve the attached Final Proposed Reliability Standards Definition Changes for application as definitions that apply to reliability standards that apply in Alberta pursuant to Section 19 of the *Transmission Regulation*.
2. 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*.
3. 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.

Applicability

4. The Final Proposed Reliability Standards Definition Changes apply to all market participants.

“Package 11” Reliability Standards Definitions to be added

5. The following new reliability standards definitions have generally been approved for use in the ISO rules and are now being proposed for use in the reliability standards and to be incorporated into the AESO’s *Consolidated Authoritative Document Glossary*:
 - a) aggregated generating facility;
 - b) apparent power;
 - c) business day;
 - d) collector bus;
 - e) generating unit;
 - f) interconnected electric system;
 - g) ISO;
 - h) legal owner;
 - i) market participant;
 - j) maximum authorized real power;
 - k) operator;
 - l) power factor;
 - m) reactive power; and
 - n) real power.

“Package 11” Reliability Standards Definitions to be amended

6. Amendments are proposed to the existing reliability standards definitions of “balancing authority area” and “transmission system” to align with the definitions of such terms in the ISO rules and for such revised definitions to be incorporated into the AESO’s *Consolidated Authoritative Document Glossary*.
7. While the AESO consulted on “transmission system” as a new definition, the term was, in fact, previously approved for use in the reliability standards on January 22, 2010. The AESO supports the adoption of this amended version of the definition as, for ease of use, the amended definition replicates the full legislative definition rather than simply referring to the source legislation.

“Package 11” Reliability Standards Definitions to be removed

8. The following existing reliability standards definitions are proposed for removal from the reliability standards glossary:
 - a) corrective action plan;
 - b) facility;
 - c) facility rating;
 - d) frequency deviation;
 - e) high voltage direct current or HVDC;
 - f) owner of industrial system;
 - g) rating;
 - h) schedule
 - i) stability
 - j) stability limit;
 - k) surge;
 - l) system;
 - m) tie-line;
 - n) Transmission-Maintenance and Inspection Plan or TMIP; and
 - o) Transmission vegetation management plan or TVMP.
9. If the above definition removals are approved, the current reference to the reliability standards effective date for the definition will then be removed from the AESO’s *Consolidated Authoritative Document Glossary*. If the definition only applies to reliability standards, then the entire definition will be removed from same.

Reason for Final Proposed Reliability Standards Definition Changes

10. The AESO is no longer incorporating by reference definitions from the ISO rules for use in reliability standards. Accordingly the AESO is reviewing definitions used in the reliability standards:
 - (i) to ensure that they are specifically approved for use in such documents;
 - (ii) to address conflicts and gaps;
 - (iii) to improve and standardize language; and
 - (iv) to remove existing definitions in reliability standards that are not used.

Summary of AESO Consultation

5. On August 4, 2011, the AESO posted on its website and into its stakeholder newsletter a [Stakeholder Consultation Letter](#) requesting comments from interested parties and market participants that the AESO considered likely to be directly affected by the proposed adoption of the “Reliability Standards Definition Changes”.

6. On August 23, 2011, the AESO posted the [Stakeholder Comments](#) received in response to the August 4, 2011 Stakeholder Consultation Letter. The AESO considered all written comments received, and made further amendments to the proposed Reliability Standards Definition Changes as a result of AESO review, and on October 20, 2011, the AESO posted its [replies](#) to written stakeholder comments received on the August 4, 2011 Stakeholder Consultation Letter and attached the “Final Proposed Reliability Standards Definition Changes”.

Summary of the Final Proposed Reliability Standards Definition Changes

7. Please see the AESO’s August 4, 2011 Stakeholder Consultation Letter for a summary of the proposed Reliability Standards Definition Changes.
8. Please see the AESO’s October 20, 2011 Reply Letter that identified amendments to the proposed Reliability Standards Definition Changes as attached to the AESO’s August 4, 2011 Stakeholder Consultation Letter.

Attachments to Notice of Filing

9. The following documents are attached to this Notice of Filing:
 - a) [Stakeholder Consultation Letter](#) dated August 4, 2011, forwarded to interested parties and market participants that the AESO considers likely to be directly affected by the proposed Reliability Standards Definition Changes, and which was posted on the AESO website on August 4, 2011;
 - b) [Stakeholder Comments](#) on the August 4, 2011 Stakeholder Consultation Letter posted on the AESO website August 23, 2011, setting out the written comments received, the name of the market participant or other parties who submitted each comment, and the date on which the comment was submitted;
 - c) [AESO Reply Letter](#) posted on the AESO website on October 20, 2011; and
 - d) [Blacklined](#) and [clean](#) copy of the Final Proposed Reliability Standards Definition Changes.

Proposed Effective Date

10. The AESO proposes that the Final Proposed Reliability Standards Definition Changes become effective ten (10) calendar days following approval by the Commission.
11. The AESO submits that the Final Proposed Reliability Standards Definition Changes comply with the requirements of the *Transmission Regulation*, is not technically deficient, and is in the public interest.

Yours sincerely,

<original signed by>

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Attachments