

November 23, 2011

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

**Re: Notice of Filing – Final Proposed Alberta Reliability Standard:
Resource and Demand Balancing *Disturbance Control Performance* BAL-002-AB-1
 (“Final Proposed BAL-002-AB-1”)**

1. The Alberta Electric System Operator (“AESO”) is forwarding and recommending that the Commission approve attached Final Proposed BAL-002-AB-1 for application as an Alberta Reliability Standard 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. Final Proposed BAL-002-AB-1 is applicable to the AESO, which may meet the requirements of BAL-002-AB-1 through participation in a reserve sharing group that the AESO has designated as its agent.

Summary of Final Proposed BAL-002-AB-1

5. The purpose of Final Proposed BAL-002-AB-1 is to ensure the AESO is able to utilize its contingency reserve to balance resources and demand and return interconnection frequency within defined limits following a disturbance resulting from a loss of supply.

Summary of AESO Consultation

6. On May 1, 2009, the AESO posted on its website and into its stakeholder newsletter a [Letter of Notice](#) requesting comments from interested parties and market participants that the AESO considered likely to be directly affected by the proposed adoption of BAL-002-AB-0.
7. On June 9, 2009, the AESO posted the [Stakeholder Comments](#) received in response to the May 1, 2009, Letter of Notice. The AESO considered all written comments received and determined that further amendments to proposed BAL-002-AB-0 (now proposed BAL-002-AB-1) were necessary, and was of the view that the additional amendments warranted re-consultation. On July 24, 2009, the AESO posted its [replies](#) to written stakeholder comments received on the May 1, 2009 Letter of Notice, however, the reply only indicated to stakeholders that the filing of BAL-002-AB-0 would be delayed.

8. During the AESO's consultation on proposed BAL-002-AB-0, the North American Electric Reliability Corporation ("NERC") Board of Trustees approved NERC standard BAL-002-1 *Disturbance Control Performance* replacing existing NERC BAL-002-0 *Disturbance Control Performance*.
9. Accordingly, the AESO posted a [Stakeholder Consultation Letter](#) on September 27, 2011, and commenced a second consultation on proposed BAL-002-AB-1 Draft 2.1 which included the [AESO's replies](#) to the written stakeholder comments received on the May 1, 2009 Letter of Notice specific to NERC requirement R3.1 (Alberta requirement R6) as well as the additional amendments to proposed "BAL-002-AB-0" as attached to the May 1, 2009 Letter of Notice.
10. On October 18, 2011 the AESO posted the [Stakeholder Comments](#) received in response to the September 27, 2011 Stakeholder Consultation Letter. The AESO considered all written comments received, and was of the opinion that the comments did not require the AESO to make changes to proposed BAL-002-AB-1 Draft 2.1. On November 3, 2011, the AESO posted its [replies](#) to written stakeholder comments received on the September 27, 2011 Stakeholder Consultation Letter and attached "Final Proposed BAL-002-AB-1 Draft 2.1".

Changes to Final Proposed BAL-002-AB-1

11. Please see the AESO's May 1, 2009 Letter of Notice for a summary of proposed BAL-002-AB-0.
12. Please see the AESO's September 27, 2011 Stakeholder Consultation Letter for a summary of proposed BAL-002-AB-1 Draft 2.1.

Attachments to Notice of Filing

13. The following documents are attached to this Notice of Filing:
 - a) [Letter of Notice](#) dated May 1, 2009, forwarded to interested parties and market participants that the AESO considers likely to be directly affected by the proposed adoption of BAL-002-AB-0, and which was posted on the AESO website on May 1, 2009;
 - b) [Stakeholder Comments](#) on the May 1, 2009 Letter of Notice posted on the AESO website June 9, 2009, 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 [Final Proposed Letter](#) posted on the AESO website on July 24, 2009;
 - d) [Stakeholder Consultation Letter](#) dated September 27, 2011, forwarded to interested parties and market participants that the AESO considers likely to be directly affected by the proposed adoption of BAL-002-AB-1 Draft 2.1, and which was posted on the AESO website on September 27, 2011. The September 27, 2011 Stakeholder Consultation Letter included [replies](#) to stakeholder comments received on the May 1, 2009 Letter of Notice;
 - e) [Stakeholder Comments](#) on the September 27, 2011 Stakeholder Consultation Letter posted on the AESO website on October 18, 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;
 - f) [AESO Reply Letter](#) posted on the AESO website on November 3, 2011; and
 - g) [Clean](#) copy of Final Proposed BAL-002-AB-1.
14. Please be advised that certain of the attachments noted above include reference to other Alberta reliability standards that are not subject to this filing.

Proposed Effective Date

15. The AESO proposes that Final Proposed BAL-002-AB-1 become effective on October 1, 2012.
16. The AESO submits that Final Proposed BAL-002-AB-1 complies 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