

Amended Terms of Reference

Proposed AESO Amended Terms of Reference for Consultation on proposed New ISO Rules 502.7 SCADA and Phasor Measurement Unit Technical Requirements (“proposed New ISO rules 502.7”) proposing to replace the AESO SCADA Standard and the AESO Phasor Measurement Unit Requirements standard and, the proposed removal of OPP 003.1 *Electric Facility Data and Communications for the Alberta Control Area*, and, the development of a proposed Information Document supporting proposed ISO rules 502.7.

(1) Purpose¹

The AESO develops and publishes binding ISO rules, including Operating Policies and Procedures (collectively “ISO rules”) pursuant to the *Electric Utilities Act* and its regulations.

The purpose of this Terms of Reference document is to notify stakeholders that the AESO intends to develop New ISO Rules 502.7 with a proposed new Information Document replacing the AESO SCADA Requirements standard (“SCADA standard”) and the AESO Phasor Measurement Unit Requirements standard (“Phasor standard”) and removing OPP 003.1 *Electric Facility Data and Communications for the Alberta Control Area* (“OPP 003.1”). Collectively this set of documents is referred to as “SCADA and Phasor Measurement Unit ISO rules”.

This Terms of Reference outlines the scope and proposed consultation approach regarding proposed SCADA and Phasor Measurement Unit ISO rules.

At this time the AESO is only seeking feedback on the Terms of Reference and if stakeholders think the proposed scope and consultation steps are appropriate for the SCADA and Phasor Measurement Unit ISO rules.

(2) Need for ISO Rules Changes

The SCADA standard and the Phasor standard came into effect in 2005 and at that time the AESO indicated it would review the standards in five years following the effective date. Rather than updating the SCADA standard and the Phasor standard the AESO proposes to transition the binding rights, requirements and obligations for those standards into proposed new ISO rules 502.7. The transition of the SCADA standard and the Phasor standard into new ISO rules is consistent with the AESO’s direction taken on other AESO standards. To date, the AESO has completed the transition of three AESO standards those being:

AESO Standard	Transitioned to	Effective Date of the New ISO Rules
Wind Power Technical Requirements	New ISO rules 502.1 Wind Technical Requirements	December 1, 2012
Transmission Line Requirements	New ISO rules 502.2 Bulk Transmission Line Technical Requirements	January 2, 2011
Operational Voice Communication	New ISO rules 502.4 Automated Dispatch and	June 1, 2011

¹ The Terms of Reference is a living document and amended from time to time as required. Any amendments to the Terms of Reference will be posted on the AESO website and notification will be provided in the AESO newsletter, published semi-weekly.

	Messaging System and Voice Communication System Requirements	
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The transition of the Protection Requirements standard and the Generator/Load requirements standard are in progress and will continue in 2012. The AESO plans to initiate transition on the Revenue Metering standard in 2012; which is the last AESO standard for transition.

(3) Scope

The scope for this Terms of Reference includes:

- (a) SCADA standard;
- (b) Phasor standard;
- (c) Proposed New ISO rules 502.7 replacing the SCADA standard and the Phasor standard and setting out the binding requirements and obligations from those standards;
- (d) Proposed removal of OPP 003.1; and
- (e) Proposed new Information Document supporting proposed new ISO rules 502.7.

(4) Out of Scope

This Terms of Reference paper and consultation does not include any other AESO standards or ISO rules including OPPs.

(5) Stakeholder Participation

At this time the AESO is only asking stakeholders to provide comments on this Terms of Reference and indicate if stakeholders are:

- (1) Interested in participating in the consultation for the SCADA and Phasor ISO rules;
- (2) Aligned with the need for proposed New ISO rules 502.7 as set out in Section 2 above;
- (3) Aligned with the In-Scope and Out-Of-Scope content as set out in Sections 3 and 4 above; and
- (4) Aligned with the consultation steps the AESO is proposing to initiate for the SCADA and Phasor ISO rules as set out in Section 7 below; and
- (5) Aligned with the schedule the AESO is proposing to follow for the SCADA and Phasor ISO rules as set out in Section 7 below.

Once the AESO receives stakeholder comments on this Terms of Reference, the AESO will populate attached Appendix 1 with a list of stakeholders interested in participating in this consultation.

(6) AESO Principles and Steps for ISO Rules Consultation

The AESO developed a set of consultation principles to ensure its consultation is inclusive, transparent, fair and efficient. Please refer to Appendix 2 to review these consultation principles. For consistency, and to compliment the consultation principles, the AESO carries out its consultation through a series of steps which can be found in Appendix 3.

Stakeholders should note that not all the steps are mandatory and the nature and complexity of the subject matter will determine the specific steps that are carried out. The consultation steps for each individual consultation will be set out in the "Consultation Steps and Schedule" section below for each Terms of Reference paper.

(7) Consultation Steps and Schedule

The table below sets out the proposed consultation steps and schedule for proposed New ISO rules 502.7 and the supporting rationale.

ISO Rule Consultation Process Steps	Activity and Documents	Schedule
Step 1.0	The AESO's practice is to review AESO standards every five years and in Quarter 3, 2011 the AESO assessed that the SCADA standard and the Phasor standard should be transitioned into new ISO rules consistent with the direction the AESO has taken with other AESO standards. In addition, the AESO identified that related OPP 003.1 should be removed as the SCADA and Phasor standards are transitioned into rules.	Quarter 3, 2011 (completed)
Step 2.0	The AESO issued to stakeholders, a Letter of Invitation inclusive of an invitation to participant in the technical workgroup with a Terms of Reference.	December 6, 2011 (completed)
Step 4.0	Stakeholders provide written comments to the AESO on the proposed Terms of Reference and briefing materials (if any).	By January 13, 2012
Step 5.0	AESO replies to stakeholder comments. AESO then determines if further consultation is appropriate.	January 2012
Step 6.0	AESO holds technical working sessions with the selected stakeholders to review the requirements in the current AESO SCADA standard and the Phasor standard.	February - March 2012
Step 11.0	AESO drafts proposed New ISO rule 502.7 setting out the binding rights, requirements and obligations from the SCADA standard and the Phasor standard.	March - April 2012
Step 12.0	AESO issues Letter of Notice for the proposed New ISO rules 502.7	April 2012
Step 13.0	Stakeholders provide written comments (if any), on the proposed New ISO rules 502.7	May – June 2012
Step 14.0	AESO reviews all stakeholder comments and, if appropriate, finalizes the proposed New ISO rules 502.7.	July 2012
Step 15.0	AESO replies to stakeholder comments and invites position letters from Stakeholders.	July – August 2012
Step 16.0	Stakeholders provide position letters (optional) ²	August 2012
Step 17.0	AESO files final proposed New ISO rules 502.7 with the Alberta Utilities Commission (“AUC”).	August – September 2012

(8) Consultation Record

The documents prepared by the AESO and stakeholders in the context of this ISO rules consultation process will be posted on the AESO website at <http://www.aeso.ca/rulesprocedures/9074.html> and will form part of the AESO's consultation record in the event that an objection to proposed ISO rules is filed with the Alberta Utilities Commission. The consultation record will include the consultation documents identified in the table listed in section 7. above and will also include agendas, lists of participants and issues and actions items associated with stakeholder sessions, workshops or technical sessions held with regard to proposed New ISO rules 502.7.

For clarity, only written stakeholder comments received by the AESO in accordance with this ISO rules consultation process will be considered by the AESO when finalizing the draft resulting set of ISO rules.

As the AESO conducts its consultation a chronology of events and documents will be documented in a table similar to that outlined in Appendix 4. After the AESO completes its consultation all activities performed and documents posted as part of that consultation will be listed in this appendix. After updating this appendix the AESO will post the final amended Terms of Reference on the AESO website.

Appendix 1 – List of Stakeholders Interested in Participating in the Consultation

AltaLink Management Ltd.

ATCO Electric

ATCO Power

ENMAX Energy Corporation

EPCOR

TransCanda Energy Ltd.

Appendix 2 – AESO Consultation Principles for ISO Rule Development

The AESO principles for consultation on draft ISO rules changes are intended to provide guidance respecting the conduct of both the AESO and stakeholders. The AESO principles for consultation are as follows:

1. The ISO rules consultation process will be inclusive, transparent, fair and efficient and will be understood and accepted by all parties.
2. All parties will act in good faith and in a fair and respectful manner when engaged in the ISO rules consultation process.
3. The AESO has a statutory obligation to ensure the safe and reliable operation of the Alberta interconnected electric system (“AIES”) and to promote a fair, efficient and openly competitive market for electricity. In the ISO rules consultation process, the interests of individuals must be considered in the context of the reliable operation of the AIES and in the public interest as a whole.
4. The ISO rules consultation process, particularly with respect to the degree of detail of information provided by the AESO and stakeholders, the time required for review of that information, and the amount of related discussion, will be commensurate with the importance, complexity, potential impacts, and urgency of the draft ISO rules changes.
5. The AESO will commence consultation early in the ISO rules consultation process to allow sufficient time for stakeholder participation and will provide stakeholders with complete, accurate, timely and comprehensible information. AESO information will be made available in a manner that stakeholders can readily understand and with adequate time for review and consideration.
6. The ISO rules consultation process will involve a full discussion of the views of the stakeholders in order to enable the AESO to make the best decision possible in the context of the AESO statutory mandate.
7. The AESO may develop a written Terms of Reference for each ISO rules consultation process², which may include description of relevant issues, establishment of working groups, one or more technical conferences, and a proposed schedule of key dates. The AESO will seek stakeholder input before finalizing each Terms of Reference.
8. Stakeholders will be given the opportunity to provide written comments in response to AESO documentation made available during the ISO rules consultation process.

² A written Terms of Reference may not be appropriate in all cases depending on the complexity of the draft ISO rule changes

9. Each stakeholder will raise all concerns or suggestions for improvement, and provide those concerns or suggestions for improvement in writing for discussion with others participating in the ISO rules consultation process and to share information necessary for others to understand and evaluate those concerns or suggestions.
10. All Terms of Reference, AESO information, comments from stakeholders with AESO replies, agendas and action items will be in writing and will be posted on the AESO website. Only those comments received from stakeholders in writing will be considered by the AESO when finalizing draft ISO rules changes.
11. When finalizing the draft ISO rules changes, the AESO will have regard for all written stakeholder input received during the ISO rules consultation process and will provide a written explanation where the draft ISO rules changes could not address a stakeholder concern or accommodate a stakeholder suggestion.
12. While written input from stakeholders during the ISO rules consultation process will inform the AESO's decision-making, the responsibility for the decision rests with the AESO, pursuant to its statutory mandate.

Appendix 3 – ISO Rule Consultation Process Steps

The table below provides a comprehensive list of all the steps the AESO may consider when consulting on ISO rules. Please note that not all the steps are mandatory. The AESO may exclude certain non-mandatory steps as warranted by the nature and complexity of the documents related to the consultation.

Type	Consultation Process Steps	Description
	Information Gathering and Issue Assessment	
Mandatory	Step 1.0	A requirement to explore an issue or need for ISO rules changes has been identified.
Mandatory	Step 2.0	AESO issues an invitation to stakeholders to participate in the ISO rules consultation process, including a proposed Terms of Reference. The invitation may include other briefing materials. AESO requests comments from stakeholders by issuing a comment matrix in regards to the proposed Terms of Reference and briefing materials.
Discretionary	Step 3.0	AESO holds an initial stakeholder meeting (if appropriate).
Discretionary	Step 4.0	Stakeholders provide written comments to the AESO on the proposed Terms of Reference and briefing materials (if any).
Mandatory	Step 5.0	AESO replies to stakeholder comments. AESO then determines if further consultation is appropriate.
Discretionary	Step 6.0	AESO may hold workshops and/or technical sessions (if appropriate).
	Developing the Policy Position	
Discretionary	Step 7.0	AESO issues a Recommendation Paper to stakeholders for review and comment.
Discretionary	Step 8.0	Stakeholders provide written comments on the Recommendation Paper.
Mandatory	Step 9.0	AESO replies to stakeholder comments. AESO then determines if further consultation is appropriate.
Discretionary	Step 10.0	AESO may hold workshops and/or technical sessions (if appropriate).

The outcome of the consultation performed in the above steps may result in the need to develop ISO rules. If this outcome is reached the AESO will perform Steps 11 – 17 below.

	ISO Rules Development and AUC Filing	
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Mandatory	Step 11.0	AESO drafts ISO rules changes.
Mandatory	Step 12.0	AESO issues Letter of Notice to stakeholders for draft ISO rules changes. AESO request comments from stakeholders by issuing a comment matrix in regards to the Letter of Notice.
Discretionary	Step 13.0	Stakeholders provide written comments (if any) on draft ISO rules changes contained in the Letter of Notice.
Mandatory	Step 14.0	AESO reviews all stakeholder comments. AESO then determines if further consultation is appropriate, or, if appropriate, finalizes draft ISO rules changes.
Mandatory	Step 15.0	AESO replies to stakeholder comments and invites position letters from stakeholders.
Discretionary	Step 16.0	Stakeholders provide position letters (optional) ³
Mandatory	Step 17.0	AESO files final draft ISO rules changes with the AUC.

³ The AESO will reply to position letters provided by stakeholders at its discretion.

Appendix 4 – Chronology of the Consultation Record

After the AESO completes its consultation all activities performed and documents issued as part of that consultation will be listed in this appendix. After updating this appendix the AESO will post the final amended Terms of Reference on the AESO website.

No.	Activity or Document	Description & Purpose of Activity or Document (including various key decisions made)	Parties Involved	Date (1) date of document and date provided to stakeholders / AESO, if different; or (2) date of stakeholder session
1	AESO identified the need to initiate consultation on the SCADA and Phasor ISO rules.			Quarter 3 2011
2	AESO issued a Letter of Invitation and Terms of Reference for proposed New ISO rules 502.7.			December 6, 2011
3	AESO issued Replies to stakeholder comments received on Terms of Reference and includes Amended Terms of Reference			January 24, 2012