

AESO Reliability Committee (ARC) – Terms of Reference

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1.0 Mandate

The AESO has established the AESO Reliability Committee (ARC) to meet its obligations with regard to subsections 5(2), 5(3), and 5(4) of the *Transmission Regulation* (AR86/2007 with amendments up to and including AR153/2010) and to assist with its consultation obligations regarding Alberta Reliability Standards as set out in subsection 19(4) of the *Transmission Regulation*. These provisions are as follows:

1.1 (5) Standards and standards committees

(2) The ISO must establish one or more committees to advise the ISO in addressing the ISO's need for standards or rules respecting the matters referred to subsection (1).

(3) Every committee established under this section must include

(a) A representative of each TFO, and

(b) A representative of the Commission if the Commission nominates a representative to that committee.

(4) If the ISO considers that a proposed standard or rule may be directly relevant to

(a) DFOs,

(b) Owners of generating units,

(c) Customers who are industrial systems, or

(d) Persons who have made an arrangement under section 101(2) of the Act, the ISO must include on the committee established under this section one or more representatives from the category of persons directly affected or must consult with those representatives in another manner the ISO considers appropriate.

1.2 (19) Reliability standards

(4) Before adopting or making reliability standards, agreements, criteria or directives under this section, the ISO must

(a) Consult with those market participants that it considers are likely to be directly affected

2.0 Purpose

The purpose of the ARC is to provide the AESO with strategic advice related to:

2.1 The maintenance, performance, operation, and security of Alberta's interconnected electric system and ISO Rules that may be made regarding the same, and

2.2 The AESO's making or adoption of reliability standards.

3.0 Scope

The ARC is a forum for key industry stakeholders in Alberta to provide to the AESO a high level industry perspective on the maintenance, security, and reliability of Alberta's interconnected electric system as opposed to detailed and specific comments. Working groups will be convened as required to allow for detailed input into standards, criteria, procedures, rules and processes. The AESO will consider input from the ARC and its working groups but final decisions ultimately rest with the AESO.

4.0 Membership

The ARC will be comprised of senior leadership members with authority to speak on behalf of their representation as follows:

4.1 The AESO

- Two members and corresponding alternates to be selected by the AESO
- The AESO members will serve as Chair and Alternate Chair

4.2 Transmission Facility Owners (TFO),

- One member and alternate from each of the following:
 - AltaLink Management Ltd
 - ATCO Electric Ltd.
 - ENMAX
 - EPCOR
- One additional member and alternate to be selected by and to represent municipal TFOs

4.3 Distribution Facility Owners (DFO)

- One member and alternate to be selected by and to represent all DFOs

4.4 Generation Owners

- Two members and alternates to be selected by and to represent all Generation Owners

4.5 Industrial Systems customers

- One member and alternate to be selected by and to represent all industrial systems customers

4.6 Direct Connect customers (customers who have made an arrangement under section 101(2) of the EUA)

- One member and alternate to be selected by and to represent all Direct Connect customers

4.7 Alberta Utilities Commission ("AUC") (or successor organization)

- One member from the AUC and alternate if the AUC elects to nominate a member

5.0 Selection of Members

- 5.1 All ARC members and designated alternates must be agreed to by the Chair
- 5.2 Each TFO member organization will select its representative and alternate
- 5.3 Municipal TFOs, DFOs, Generation Owners, Industrial Systems customers, and Direct Connect customers will select its member and alternate and notify the chair
- 5.4 The Chair may also appoint an individual to represent Municipal TFOs, DFOs, Generation Owners, Industrial Systems customers, or Direct Connect customers if representation is not identified to the chair
- 5.5 The AUC will select its member and alternate

6.0 Term

Each selected member will serve a two-year term which may be extended based on mutual consent between the AESO and the organization/sector so represented.

7.0 Role of the Member

- 7.1 Provide advice for the maintenance, performance, operation, and security of Alberta's interconnected electric system
- 7.2 Provide advice for the making and adoption of reliability standards
- 7.3 Provide advice from an overall Alberta perspective that will create the most efficient and effective standards, criteria, procedures, rules, and processes to ensure system reliability and performance
- 7.4 Assist the AESO in fulfilling its public interest mandate
- 7.5 Focus on technical matters considering commercial impacts
- 7.6 Establish ARC working groups as follows:
 - Establish working group roles and responsibilities
 - Commit organization and sector resources to working groups
 - Encourage working group member participation from other industry organizations

7.7 ARC members may submit a request to the Chair for technical experts or other guests to attend ARC meetings as relevant to agenda topics

7.8 Designated alternate ARC members will attend meetings and perform all member duties in the absence of regular ARC members

8.0 Role of the Chair

8.1 The Chair will establish meeting agendas to direct discussions on topics that meet the purpose and scope of the ARC

8.2 The Chair will perform the following duties while presiding over meetings:

- Preserve order
- Direct discussions as per agenda topics and time allocation
- Identify issues and action items to carry forward to future meetings
- Adjourn meetings when business is concluded

8.3 The Chair will consider requests from ARC members for technical experts or other guests to attend committee meetings as relevant to agenda topics

8.4 The Alternate Chair will assume the authority and perform all the duties of the Chair in absence of the Chair

9.0 Role of the ARC Working Groups

ARC working groups will generally be comprised of operational, engineering, regulatory, and compliance personnel who will provide technical input to standards, criteria, procedures, rules, and processes as well as technical direction to the ARC as per established ARC working group roles and responsibilities.

10.0 Meeting Frequency and Location

10.1 ARC meetings will be held quarterly or at the discretion of the Chair

10.2 ARC meetings will take place at a location selected by the Chair

11.0 Terms of Engagement

- 11.1 Members must dedicate time to participate in ARC meetings, review documents prior to meetings, and be able to commit resources from their organization to participate in ARC working groups as may be required
- 11.2 Member or member alternate attendance is expected. Absence is the exception. Members or member alternates are not to miss more than one meeting in a calendar year
- 11.3 Communication and member input will be required from time to time via email between regularly scheduled meetings
- 11.4 The input and work done by the ARC and ARC working groups will be used by the AESO to establish appropriate standards, criteria, procedures, rules and processes
- 11.5 The AESO will make decisions consistent with its mandate, policy and legislative obligations after considering the input and advice provided by ARC members
- 11.6 All ARC meeting discussions are deemed “without prejudice” except for items noted in member approved meeting agendas and minutes published to the AESO Website
- 11.7 ARC members will not be precluded from participating in the ISO Rules or Alberta Reliability Standards processes or ultimately participating in any related AUC proceeding

12.0 Support Resources

Appropriate AESO staff may be present at ARC meetings and ARC working group meetings to perform administrative tasks including minute taking, distribution of documents, and arranging for the general setup and coordination of meetings.

13.0 Committee Records

The activities of the ARC will be communicated to the broader stakeholder audience by the AESO through the publication of member approved agendas and meeting minutes on the AESO website unless not in the public interest due to confidentiality or security reasons.

14.0 Maintenance and Refinement of Terms of Reference

These ARC Terms of Reference will be reviewed and revised as appropriate at the discretion of the AESO in consultation with ARC members.