Project Charter
Alberta Reliability Standards Implementation

Purpose

To implement NERC and WECC reliability standards in Alberta as follows:

- To be consistent with Alberta regulatory and market structures
- To implement only those standards/requirements that apply to Alberta entities
- To ensure the reliability of the Alberta and North American bulk electric system (BES)
- To be technically excellent, timely, just, reasonable, not unduly discriminatory or preferential, in the public interest, and consistent with other applicable standards of governmental authorities

Background

Voluntary reliability standards have been in place in North America since the 1960s. After the 2003 blackout in the eastern United States and central Canada, authorities in both countries enacted legislation to better ensure the reliability of the BES. In the US, the Federal Energy Regulatory Commission (FERC) mandated the North American Electric Reliability Corporation (NERC) to develop and implement mandatory reliability standards and to monitor compliance with the requirements in those standards. In Canada, electricity regulation is at the provincial level of government so each province decided how they wanted to address the reliability of their respective BES. Alberta chose to implement Alberta Reliability Standards (ARS) based on the NERC standards and regional standards developed by the Western Electric Coordinating Committee (WECC). The AESO was given the task of developing these standards for Alberta.

Scope

The AESO will implement NERC and WECC reliability standards in Alberta as Alberta Reliability Standards (ARS), making changes to those standards when required for consistency with Alberta regulatory and market and structures. In developing ARS, the AESO will consult with those market participants that it considers are likely to be directly affected by those standards through a stakeholder consultation process. Completed standards will be submitted to the Alberta Utilities Commission (AUC) for approval.

This project does not include the ongoing review and maintenance of ARS required by the ongoing changes of NERC and WECC reliability standards.
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Policy

The AESO must meet its legislative obligations with respect to the implementation of mandatory reliability standards in Alberta. The legislative obligations stated in the Transmission Regulation (AR86/2007 with amendments up to and including AR153/2010) are as follows:

Standards and Standards Committees

5(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 in subsection (1).

5(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.

5(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.

Reliability Standards

19(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, and
(b) forward the proposed reliability standards, agreements, criteria or directives to the Commission for review, with the ISO’s recommendation that the Commission approve or reject them.

The AESO Reliability Committee (ARC) was established to meet the requirements prescribed in sections 5(2), 5(3), and 5(4) of the Transmission Regulation. The AESO also established a detailed ARS development process to meet its consultation and Commission approval obligations in sections 19(4) and 19(5). The main stages of this process are summarized in the Development Process section of this document below.
Guiding Principles

The following principles were established in conjunction with industry stakeholders to implement NERC and WECC reliability standards in Alberta:

- ARS will be consistent where possible with NERC and WECC standards, except when changes are required to align with Alberta regulatory and market structures.
- ARS will be no more stringent than NERC and WECC standards unless needed specifically for reliability requirements in Alberta.
- ARS will be reliability risk focused rather than compliance focused.
- ARS will be clear, concise, and consistent and will be written to minimize the need for interpretation.
- ARS applicability will be more prescriptive to include/exclude entities for reliability reasons as appropriate in Alberta relative to the bright-line applicability established by NERC.
- ARS implementation will minimize double jeopardy, including crossover or duplication among standards and ISO rules as well as associated compliance requirements between ARS and other authoritative documents.
- ARS related legacy content in OPPs not covered by ARS requirements will be transitioned to ISO Rules. This may result in a few minor instances of double jeopardy where details are not adequately covered in reliability standards.

Roles and Responsibilities

AESO Reliability Committee (ARC) – The ARC is comprised of senior leaders from industry and the AESO. The purpose of the ARC is to provide the AESO with strategic advice related to:

- The maintenance, performance, operation, and security of transmission facilities.
- ISO Rules that may be made regarding the same.
- The AESO’s making or adoption of reliability standards.

ARC Working groups – The ARC will establish working groups as required to provide technical expertise into the development and implementation of reliability standards in Alberta. Working groups already established include the Operations, Technical, Planning and Security working groups. The working groups are open for participation.

ARC Discussion Group – This group consists of a small group of industry stakeholders and the AESO whose role is to discuss non-technical issues related to the implementation of reliability standards in Alberta. The group will recommend solutions in order to advance the adoption of reliability standards in Alberta. This group is by invitation only at the discretion of the AESO.

Standard Owners (SO) – Director level AESO personnel that oversee the development and implementation of NERC and WECC reliability standards in Alberta and ensure AESO compliance with the ARS. Standard owners provide technical resources to the AESO compliance.
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monitor and assist the Market Surveillance Administrator (MSA) in the assessment of contraventions.

Requirement Owners (RO) – Technical experts within the AESO that assist Standard Owners with the development and implementation of ARS and ensure AESO compliance with the respective ARS requirements assigned to them.

Subject Matter Experts (SME) – Technical experts within the AESO that assist Standard Owners based on their area of knowledge expertise.

Compliance Monitoring – Compliance monitoring programs have been established to ensure adherence to all ARS requirements. WECC monitors the AESO and the AESO monitors all other market participants. All contraventions to ARS requirements are reported to the MSA.

Development Process

There are five main stages for the implementation of reliability standards in Alberta.

1. Preliminary Drafting – ARC working groups consisting of AESO technical personnel and interested stakeholders help develop and review the initial draft of the ARS

2. ARC Endorsement – The ARC recommends proceeding with formal drafting and consultation of the ARS

3. Formal Drafting – ARS drafting by AESO drafting teams consisting of SOs, ROs, SMEs, legal, and compliance

4. Consultation – The ARS is posted for stakeholder consultation. All comments received are considered for ARS revision. A second round of consultation may be required if material changes are made to the reliability standard

5. AUC Filing – Once all comments received during consultation have been reviewed and the final draft is complete, the ARS is submitted to the AUC for approval

Deliverables

Upon completion of the ARS implementation project, the NERC and WECC standards will be reviewed by the Commission for approval or rejection in Alberta. The AESO has elected to exclude a number of NERC standards from the implementation project as they are under review by NERC and will be revised in the near future. The AESO will monitor NERC’s progress on these standards and assess them upon completion of this project.
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Constraints

- AESO resources are not exclusively assigned to the ARS Implementation project. Coordinating the time of the SOs, ROs, SMEs, legal, and compliance at various stages of the project may result in delays to development
- Changes to legislation may require changes to the ARS Development Process, increasing the time required to complete specific stages of the project
- Transition of AESO and market participant contributors away from the project may also affect project timelines
- The AESO may be required to restrict the number of standards undergoing consultation or filing within the same time period to accommodate the throughput capability of market participants and the AUC
- Effective dates for standards will be assessed on a case by case basis for implementation. The minimum effective date will consist of the first day of the third calendar quarter following the filing of the ARS with the Commission

Risks

Delays in development and implementation of ARS and the lag between ARS filing and effective dates could impact system reliability. However, current rules and procedures in place have been sufficient to maintain the reliability of the Alberta BES to date.

Issues Management

- Strategic and policy issues will be addressed by the ARC with the ultimate decision resting with the AESO
- Non-technical issues will be addressed by the ARC Discussion group
- Technical issues will be addressed by the appropriate ARC working group

Timeline

The ARS project schedule is published on the Alberta Reliability Standards section of the AESO website.