May 25, 2015

To: Alberta Utilities Commission ("AUC")

Re: Forwarding Notice on Recommendation to Reject for Adoption North American Electric Reliability Corporation Reliability Standards:
   a) TOP-003-1 Planned Outage Coordination ("TOP-003-1"); and
   b) TOP-006-2 Monitoring System Conditions ("TOP-006-2").

The Alberta Electric System Operator ("AESO") recommends that the AUC approve the rejection of TOP-003-1 and TOP-006-2 as Alberta reliability standards, pursuant to section 19 of the Transmission Regulation.

Applicability

If TOP-003-1 and TOP-006-2 were adopted as Alberta reliability standards, these standards would apply to:

   (a) the operator of a generating unit;
   (b) the operator of an aggregated generating facility;
   (c) the operator of a transmission facility; and
   (d) the AESO, performing the functions of a balancing authority and a reliability coordinator.

Background

Effective January 1, 2014, the AESO assumed the responsibilities that relate to the functions of a Reliability Coordinator ("RC") in Alberta. Some of these functions had previously been performed by the Western Electricity Coordinating Council ("WECC") RC. The AESO’s assumption of these functions was approved by the AESO Board in September, 2013. The AESO is currently in the process of assessing and adopting reliability standards for application in Alberta that contain requirements that are applicable to the AESO in performing the functions of a reliability coordinator. TOP-003-1 and TOP-006-2 were reviewed for adoption in Alberta as part of this process.

The purpose of TOP-003-1 is to ensure that scheduled outages of generating units, aggregated generating facilities and transmission facilities in the bulk electric system that may affect the reliability of interconnected operations are planned and coordinated between the RC (a function performed by the AESO in Alberta), the balancing authority (a function performed by the AESO in Alberta) and the operator of a transmission facility.

The requirements of TOP-003-1 are duplicative of existing requirements set out in sections 306.4 and 306.5 of the ISO rules, and in Alberta reliability standard VAR-002-WECC-AB. These authoritative documents require coordination of outages between the AESO and all transmission facilities greater than 25 kV, as well as the reporting to the AESO of all generator outages and derates of 5 MW or greater.

Further, sections 306.4 and 306.5 of the ISO rules require market participants to coordinate and provide outage information to the AESO in a more comprehensive and timely manner than the requirements of TOP-003-1.

1 The functions of an RC are outlined in the North American Electric Reliability Corporation ("NERC") Functional Model Terminology.
Therefore, the AESO is recommending that the AUC reject TOP-003-1 for adoption as an Alberta reliability standard.

The purpose of TOP-006-2 is to ensure critical reliability parameters are monitored in real-time by the RC (a function performed by the AESO in Alberta), the balancing authority (a function performed by the AESO in Alberta) and the operators of transmission facilities.

The requirements of TOP-006-2 that would apply to the AESO performing the functions of a RC are duplicative of requirements in sections 202.6, 203.1, 304.4, 306.4, 306.5 and 502.8 of the ISO rules, and in the following Alberta reliability standards: IRO-002-AB-2, IRO-003-AB-2, IRO-005-AB-3.1a, IRO-008-AB-1, VAR-001-AB-1a and PRC-001-AB1-1.

Requirement R4 of TOP-006-2 is not necessary in Alberta. Each business day, the AESO prepares short term load forecasts, including weather information and past load patterns, which are used for a number of purposes, including the preparation of short term adequacy assessments required under section 202.6 of the ISO rules. These forecasts allow the AESO to ensure the reliability of the Alberta interconnected electric system.

Therefore, the AESO is recommending that the AUC reject TOP-006-2 for adoption as an Alberta reliability standard.

Summary of AESO Consultation

On March 10, 2015, the AESO posted a consultation letter (the “Consultation Letter”) on its website and in its stakeholder newsletter requesting written comments from market participants and other interested parties with respect to the proposed rejection of TOP-003-1 and TOP-006-2 for adoption as Alberta reliability standards.

The AESO received one comment on its recommendation to reject TOP-003-1 for adoption as an Alberta Reliability Standard, which was supportive of the AESO’s recommendation. On March 31, 2015, the AESO posted this written comment on its website and in its stakeholder newsletter.

On May 5, 2015, the AESO posted a letter replying to this comment (the “Reply Letter”) on its website and in its stakeholder newsletter. To review the AESO’s reply to this comment, please see the Reply Letter.

Attachments to Forwarding Notice

The following documents are attached to this Forwarding Notice:

1. Letter dated September 12, 2013;
2. Consultation Letter dated March 10, 2015;
3. AESO Reply Letter dated May 5, 2015;
4. Clean copy of TOP-003-1; and

The AESO submits that its recommendation that the AUC reject TOP-003-1 and TOP-006-2 for adoption as Alberta reliability standards complies with the requirements of the Transmission Regulation, is not technically deficient and is in the public interest.
If you have any questions, please contact the undersigned.

Sincerely,

“Original Signed By”

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Attachments