

October 5, 2011

To Market Participants and all Interested Parties:

**Re: Drafting Alberta Reliability Standard CIP-002**

The AESO will be hosting the next AESO Reliability Committee (“ARC”) Technical Work Group (“TWG”) on November 1, 2011 to commence drafting Alberta Reliability Standard CIP-002 based on the North American Electric Reliability Corporation (“NERC”) CIP-002 version 5.

In the U.S., the Federal Energy Regulatory Commission (“FERC”) is proposing to approve all CIPs version 4 towards year end, but has stated in its notice of proposed rulemaking (NOPR) that since NERC has not addressed all the modifications directed by the Commission's Order No. 706 within that version, NERC must make a filing (Version 5) to fully comply with Order No. 706 no later than the end of third quarter, 2012.

This means that NERC CIP version 5 must bring the CIP standards to an "end state" in addressing all of FERC Order 706, resulting in significant changes from version 4. These include retirement of the terms "cyber asset" and "critical cyber asset" as well as refining the bright-line identification method first embedded in CIP-002 version 4, where a new BES cyber asset identification methodology has also been applied. As a result of these factors, implementation of v4 in Alberta could result in significant rework requirements for stakeholders, since NERC version 5 CIP drafts will be out for comment by November 3 2011, and are - according to NERC - expected to be NERC BoT approved by June 2012.

With these issues in mind, combined with version 5 drafts appearing to be a more comprehensive and cleaner set of standards overall, the AESO, with ARC support, has decided to work towards development and implementation of an Alberta version of all CIPs v5.

Upon further consideration over the past months and through stakeholder input, the AESO has also recognized that for successful deployment of CIP-002 within Alberta, the ARC Security Work Group (“SWG”) is not the appropriate workgroup to participate in the drafting of CIP-002 since that particular standard is largely operations focused. To that end, the AESO will convene the ARC Technical Work Group (“TWG”) to draft CIP-002-AB-5 during the latter part of 2011. SWG meetings for the purpose of reviewing CIP standards, therefore, are going to be temporarily suspended until next year, at which time we expect to reconvene for review of NERC CIP-003 - CIP-011 version 5.

As we are limited for space and in the interest of expediency, we request that entities delegate a maximum of two representatives per company to attend the ARC TWG meeting, so please arrange accordingly within your organization. Please RSVP to Allison Mathews ([allison.mathews@aeso.ca](mailto:allison.mathews@aeso.ca)) if your name should be added to the TWG contact list. Meeting invitations will be sent out shortly.

Please call or email Kate Needham at 403-539-2804/([katherine.needham@aeso.ca](mailto:katherine.needham@aeso.ca)) if you wish to discuss further or have any questions or concerns at all.

Yours truly,

*Original signed by*

Jason Murray  
Director, Operational Effectiveness  
Operations