



November 6, 2008

Dear Stakeholders:

**Re: Process for Adoption of Alberta Reliability Standards**

In August, the AESO communicated to stakeholders ([link to AESO letter posted on AESO website dated August 14, 2008, "Alberta Reliability Standards"](#)) that it was proceeding with consultation on three proposed reliability standards and proposed to treat them both as a 'reliability standard' within the meaning of the *Transmission Regulation*, and directly as ISO Rules.

In that consultation, several stakeholders requested that the AESO consider proceeding with these as "reliability standards" only and not as ISO Rules. The rationale for this included that the statutory processes for consultation and filing ISO Rules and approving "reliability standards" specified by legislation are not the same and therefore should not be treated the same.. Furthermore, stakeholders noted that the model for ISO Rule compliance and enforcement is not well suited to use for reliability standards, in that for one thing, ISO Rules do not contemplate mitigation plans as an effective mechanisms to attain compliance.

The AESO has considered these comments and carefully reviewed the legislation to determine what it believes is the approach that best aligns with the legislation, so far as adoption/approval of reliability standards, compliance monitoring and enforcement of those standards. After such consideration and review, it has decided that "reliability standards" will be submitted to the Alberta Utilities Commission ("the Commission") pursuant to section 19 of the *Transmission Regulation* for approval. ([Click here to view Stakeholder Comment & AESO Response Form](#))

As well, we intend to determine, as soon as possible, the appropriate ISO Rules or ISO Rule revisions that may need to be put forward pursuant to Section 23 of the *Transmission Regulation* so that rules for monitoring compliance with and enforcement of the Alberta Reliability Standards are in place.

The AESO will work and consult with stakeholders, the Commission and MSA to develop, as required, new processes, and new or revised ISO Rules. We look forward to your participation in that process.

Yours truly

*Original signed by*

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