

Filing of Reliability Standards

ARC Workgroup Presentation

December 2, 2008

Reliable **Power**

Reliable **Markets**

Reliable **People**



Purpose



- Presentation to ARC and its workgroups, chairs, and stakeholders
 - To provide information and a common understanding of the changes with regards to filing of reliability standards; and it's implications on work that the ARC and its workgroups

Background and Issue



- Reliability standards can be filed with the AUC in two ways
 - as Reliability standards, under the definition of T-Regulation, or as ISO Rules
- In August, the AESO intended to file the first three standards with the AUC under both ways
 - to meet requirements under the T-Regulations, and
 - to bring enforcement at the level of ISO Rules
- Stakeholders requested AESO consider filing them only as reliability standards through the T-Regulation process, which
 - Provides more flexibility for use of compliance mechanisms, not contemplated in ISO Rules
 - Meets the intent of the T-Regulation S19, which separates treatment of reliability standards and ISO Rules

Review and Decision



- AESO considered stakeholder feedback
 - *carefully reviewed the legislation to determine the approach that best aligns with the legislation, so far as adoption/approval of reliability standards, compliance monitoring and enforcement of those standards*
- As communicated in AESO letter of November 6, 2008
 - *Decision that “reliability standards” will be submitted to the Alberta Utilities Commission (“the Commission”) pursuant to section 19 of the Transmission Regulation for approval*

Implications



- AUC must establish a process for approving reliability standards filed (under S19 T-Reg) by the AESO
- AESO must meet Section 23 of T-Regulation
 - 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
 - ISO rules pertaining to monitoring of reliability standards are already in place (ISO Rule 12), but ISO rules relating to the enforcement of reliability standards are not

Implications to ARC + Workgroups



- To the ARC Workgroups in the development and adoption of reliability standards,
 - No change to review processes including attention to compliance measures
- To the Compliance Workgroup, in establishing the monitoring program and its implementation,
 - Same compliance monitoring program applies, no change to mechanisms
 - Implementation planning continues
 - Input into rules to meet AESO obligations in Section 23 of T-Regulation, consideration of mitigation plans

Transmission Regulation

Section 23

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Objective



- AESO must establish ISO Rules or ISO Rule revisions that meet Section 23 of the *Transmission Regulation* so that rules for monitoring compliance with and enforcement of the Alberta Reliability Standards are in place
- Currently,
 - ISO Rule 12 is in effect and sets rules to 'monitor compliance' of ISO Rules, AUC Rule 21, and reliability standards
 - ISO has no rules respecting 'enforcement' of Alberta Reliability Standards
- Rules respecting 'enforcement' needs to be defined and clear – Responsibilities? What mechanisms? Setting penalties? Etc.

Approach



- AESO will organize issues and consultation process
 - Identification of main issues and alternatives
 - develop an outline of the issues (maybe a discussion paper, if required)
 - Administer collection of input on these issues
- CWG as a stakeholder focus group
 - to provide input on the issues identified
 - identify any other issues or concerns that need addressing
 - AESO develops proposed changes to ISO Rule based on focus group input
 - CWG may review proposal, no CWG approvals required
- Follow the ISO Rules process from this point forward
 - Notice of stakeholder consultation
 - Broad consultation with all stakeholders
 - Filing of the ISO Rule; opportunity for objections
 - AUC confirms or denies approval

Timing – very high level

Activity	Resp:	Target Timing:
AESO Organize issues for consultation	AESO	Start in Dec – complete before first CWG meeting – end January
Start CWG Meeting (follows completion of CWG Implementation Plan work)	CWG/ AESO	End of January 2009
Complete CWG Meetings – expect 3-4 half day meetings over 2 months	CWG	End of April 2009
Draft ISO Rule changes	AESO	Mid-May 2009
Enter ISO Rules Consultation process	AESO	June 2009
File ISO Rule changes for AUC Approval	AESO	September 2009
Implementation Activities (?)	AESO	October – December 2009

ARC – Input and Questions?



- Welcome comments, input and advice on the plan and approach to address this issue
- Questions or suggestions, contact?
 - Peter Wong – Director Compliance, AESO
 - Peter.wong@aeso.ca or (403) 539-2552