

January 26, 2021

To: Market Participants and Other Interested Parties

Re: Consultation Letter – Proposed New Reliability Standard ADM-002-AB-1, *Waivers and Variances*

Section 19 of the *Transmission Regulation* requires the Alberta Electric System Operator (“AESO”) to consult with, market participants and other interested parties (“Stakeholders”) likely to be directly affected by the AESO’s adoption or making of reliability standards, and also requires the AESO to forward the proposed reliability standards to the Alberta Utilities Commission (“Commission”) for review along with the AESO’s recommendation that the Commission approve or reject them.

Accordingly, the AESO is providing notice and seeking comments from Stakeholders on the attached proposed new reliability standard ADM-002-AB-1, *Waivers and Variances* (“ADM-002-AB-1”).

Applicability

The proposed new ADM-002-AB-1 is applicable to all market participants and the AESO.

Background

On December 4, 2018, the AESO posted a letter of notice in respect of the development of an ISO rule that would more effectively address requests for waivers and variances to the Division 502 ISO rules. Stakeholders were supportive of this initiative and after a fulsome consultation, the AESO submitted an application to the Alberta Utilities Commission (the “Commission”) for approval of Section 103.14 of the ISO rules, *Waivers and Variances* (“Section 103.14”). The Commission approved the application and issued an approval for Section 103.14, effective December 11, 2019.

Having been in effect now for just over one year, the AESO has determined that a similar waivers and variances mechanism would be valuable for use with the reliability standards. The AESO proposes that ADM-002-AB-1 would allow for a request for a waiver or variance to be submitted and approved with respect to any requirement in a reliability standard that does not already have its own separate mechanism. The AESO further proposes to leverage the current process established for requesting and approving a waiver or variance under the ISO rules to manage similar requests and approvals under the reliability standards.

Defined Terms

When reviewing the attached proposed new ADM-002-AB-1, Stakeholders should note that all defined terms appear **bolded**. Stakeholders are encouraged to refer to the AESO’s *Consolidated Authoritative Document Glossary* when reviewing proposed reliability standards to ensure they have an accurate understanding of those defined terms.

Implementation of reliability standards

In accordance with Section 19 of the *Transmission Regulation*, the reliability standards that apply in Alberta are those of the Electric Reliability Organization (“ERO”) or any other reliability standards, to the extent that such reliability standards are adopted by the AESO after consultation with Stakeholders and after receipt of Commission approval. The NERC was certified as the ERO for the United States by the

Federal Energy Regulatory Commission under the US *Energy Policy Act* of 2005. Further, the NERC was recognized as the ERO by the Minister of Energy in Alberta.

Reliability standards and definitions proposed for approval or rejection by the AESO are developed:

- (a) based on the reliability standards and definitions of the NERC; or
- (b) to amend, supplement or replace the NERC reliability standards or definitions.

For more information on the AESO's reliability standards, visit the AESO website at www.aeso.ca and follow the path Rules, Standards and Tariff > Alberta reliability standards.

Request for Comment

Please use the attached *Stakeholder Comment Matrix* when submitting comments to the AESO. Only written comments will be considered in finalizing proposed new ADM-002-AB-1. Stakeholders should ensure that comments provided represent all interests within their organization. Please respond to the questions in the attached *Stakeholder Comment Matrix* and provide your specific comments, proposed revisions, and reasons for your position. Providing general comments does not give the AESO any specific issue to consider and address, and results in a general response. The scope of comments is limited to proposed new ADM-002-AB-1. Any comments received that are outside of this scope will not be considered by the AESO.

Stakeholders are asked to provide comments no later than **February 19, 2021** to ars_comments@aeso.ca. Adherence to deadlines is essential to the integrity of the comment process, and as such, the AESO may choose not to consider any Stakeholder comments received after the deadline.

The AESO will be publishing all comments received for industry review in February 2021. The AESO expects to publish replies to the comments with the final proposed new ADM-002-AB-1 in March 2021.

If the AESO does not receive comments regarding proposed new ADM-002-AB-1, the AESO expects to forward the proposed new ADM-002-AB-1 to the Commission in March/April 2021 along with its recommendation that the Commission approve the proposed new ADM-002-AB-1, to become effective immediately.

Attachments to Consultation Letter

The following documents are attached:

1. [Stakeholder Comment Matrix for proposed new ADM-002-AB-1](#); and
2. [Clean copy of proposed new ADM-002-AB-1](#)

Sincerely,

Jodi Marshall

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