

May 31, 2018

To: Market Participants and Other Interested Parties

Re: **Letter of Notice – Proposed Removal of Existing Section 501.2 of the ISO rules, *Security of Critical Facilities* (“Section 501.2”)**

Pursuant to Section 2 of Alberta Utilities Commission (“AUC” or “Commission”) Rule 017, the Alberta Electric System Operator (“AESO”) is providing notice and seeking feedback from market participants and other interested parties on the attached proposed removal of existing Section 501.2.

## Overview

The AESO is issuing the following two letters concurrently:

- this Letter of Notice regarding the proposed removal of existing Section 501.2; and
- a [Consultation Letter](#) regarding proposed new Alberta Reliability Standard CIP-014-AB-2, *Physical Security* (“CIP-014-AB-2”).

The combined purpose of these consultations is to propose the physical security requirements of North American Electric Reliability Corporation (“NERC”) CIP-014-2, *Physical Security* (“NERC CIP-014-2”), be adopted in Alberta through proposed CIP-014-AB-2, and the removal of current security measures for critical facilities as required under existing Section 501.2.

## Applicability

Existing Section 501.2 is applicable to:

- (a) a legal owner of a critical facility, being an electric industry facility named in the critical infrastructure list established under the Alberta Counter-Terrorism Crisis Management Plan; and
- (b) the AESO.

## Background

Existing Section 501.2 came into effect on January 1, 2013 and was based on requirements previously contained within the *Security Management Regulation*.<sup>1</sup> Existing Section 501.2 addresses the establishment and implementation of security measures for critical facilities. Proposed new CIP-014-AB-2 is being adopted to replace the requirements within existing Section 501.2.

The AESO anticipates that the adoption of proposed CIP-014-AB-2 and the removal of existing Section 501.2 will result in the following:

- (a) The physical security requirements for certain facilities that are currently named in the critical infrastructure list established under the Alberta Counter-Terrorism Crisis Management Plan (“ACTCMP”) will no longer be included in an AESO authoritative document. The AESO has

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<sup>1</sup> Alta Reg. 253/2007.

determined that ensuring the physical security of these facilities does not fall within the AESO's mandate. The AESO has advised the Department of Energy and Justice and Solicitor General that such facilities may need to be reviewed for inclusion in the mandate of another agency or government department.

- (b) The requirement to have a corporate emergency response plan, as described in subsection 6 of existing Section 501.2 will no longer be required under an AESO authoritative document. The AESO has determined that, as other authoritative documents such as the *Operational Health and Safety Regulation* and Directive 071, *Emergency Preparedness and Response Requirements for the Petroleum Industry* ("Directive 071") require emergency response plans to be developed this requirement is not necessary for the substation assets covered under proposed CIP-014-AB-2.
- (c) The requirement for only the AESO to inform legal owners of the threat of terrorist activity as described in subsection 7 of existing Section 501.2 is not included in the proposed CIP-014-AB-2. The AESO has determined that this requirement embeds an obligation on the AESO that hinders efficient information sharing during an event. Proposed CIP-014-AB-2 will encourage individual entities to establish direct relationships with the AESO and with law enforcement agencies, and to be notified regarding terrorist threat activity directly from these agencies.

## Defined Terms

When reviewing the attached existing Section 501.2, market participants should note that all defined terms appear in **bold**. Market participants are encouraged to refer to the AESO's [Consolidated Authoritative Documents Glossary](#) ("CADG") when reviewing existing Section 501.2 to ensure they have an accurate understanding of those defined terms.

## Request for Comments

Please use the attached Market Participant Comment Matrix when submitting comments to the AESO. Only written comments will be considered in finalizing the proposed removal of existing Section 501.2. Market participants should ensure that comments provided represent all interests within their organization. The scope of comments is limited to the proposed removal of existing Section 501.2. Any comments received that are outside of this scope will not be considered by the AESO.

Market participants are asked to provide comments no later than **June 15, 2018**, to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca). Adherence to deadlines is essential to the integrity of the ISO rules comment process. As such, any market participant comments received after June 15, 2018, may not be published, replied to, or otherwise considered by the AESO.

The AESO will be publishing all comments received for industry review in June 2018. The AESO expects to publish replies to the comments with the final proposed removal of existing Section 501.2 in July 2018.

If no comments are received by the AESO regarding the proposed removal of Section 501.2, the AESO will proceed, pursuant to AUC Rule 017, to file the proposed removal of Section 501.2 with the Commission no sooner than three days after the deadline for comments as specified in this Letter of Notice.

In accordance with Section 20.4 of the *Electric Utilities Act*, market participants may object to ISO rules filed with the Commission within 10 days after publication of the Notice of Filing.

## Attachments to Letter of Notice

In accordance with Section 4 of AUC Rule 017, the following documents are attached:

1. [Clean](#) copy of existing Section 501.2; and
2. [Copy of the Market Participant Comment Matrix](#) for the proposed removal of existing Section 501.2.

Sincerely,

*"Maria Gray"*

Maria Gray  
Regulatory Analyst  
Phone: 403-776-7517  
Email: [maria.gray@aeso.ca](mailto:maria.gray@aeso.ca)

Attachments