

May 15, 2018

To: Market Participants and Other Interested Parties

Re: **Consultation Letter - Proposed Amended Alberta Reliability Standard Definitions:**

- a) “area control error”; and
 - b) “operating reserves”
- (collectively referred to as the “amended BAL definitions”)

Proposed New Alberta Reliability Standard Definitions:

- a) “actual net interchange”;
 - b) “regulating reserve”;
 - c) “reporting area control error”;
 - d) “scheduled net interchange”; and
- (collectively referred to as the “new BAL definitions”)

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

Consistent with the AESO’s drafting principles for authoritative documents, the AESO has determined that it is appropriate for defined terms used in the Alberta reliability standards to go through the same notification and feedback process as the Alberta reliability standards themselves. The attached proposed new BAL definitions and amended BAL definitions will be incorporated into the AESO’s [Consolidated Authoritative Document Glossary](#) (“CADG”).

Background

During development of the following proposed new Alberta reliability standards, which are applicable to the AESO only:

- a) Alberta reliability standard BAL-001-AB-2, *Real Power Balancing Control Performance* (“BAL-001-AB-2”);
- b) Alberta reliability standard BAL-003-AB-1.1, *Frequency Response and Frequency Bias Setting* (“BAL-003-AB-1.1”); and
- c) Alberta reliability standard BAL-005-AB-1, *Balancing Authority Control* (“BAL-005-AB-1”);

the AESO reviewed all definitions in the AESO’s CADG currently used in the proposed new Alberta reliability standards and identified changes to the amended BAL definitions. The AESO is amending the definition of “area control error” in order to correct a clerical error. The word “scheduled” in “**scheduled interchange**” was not intended to be bolded. In addition, the AESO is amending the definition of “operating reserve” to make the outages reference more generic in order to avoid conflicts with the

various outages definitions in the AESO's CADG.

The AESO also reviewed the proposed new BAL definitions used in the proposed new Alberta reliability standards and determined that it is necessary to adopt them in order to provide the level of technical clarity required in the proposed new Alberta reliability standards. The proposed new BAL definitions were developed based on the North American Electric Reliability Corporation ("NERC") defined terms and definitions currently in the AESO's CADG.

Summary of the Proposed Definitions

Amendments to the following existing definitions are proposed for incorporation into the AESO's CADG:

- a) "area control error"; and
- b) "operating reserves".

The AESO proposes to incorporate the following new defined terms into the AESO's CADG for use in the Alberta reliability standards:

- a) "actual net interchange";
- b) "regulating reserve";
- c) "reporting area control error"; and
- d) "scheduled net interchange".

The proposed new BAL definitions of "actual net interchange", "reporting area control error", and "scheduled net interchange" were developed based on the NERC definitions of the same terms, as modified pursuant to the AESO's drafting principles. The proposed new BAL definition of "regulating reserve" was developed based on the definition of the same term currently in the AESO's CADG and approved for use in the ISO rules. Please see the attached blacklined¹ version of the proposed new and amended BAL definitions for all Alberta variances and other changes made to the NERC definition.

When reviewing the attached proposed new BAL definitions and amended BAL definitions, market participants should note that all defined terms appear **bolded**. Market participants and other interested parties are encouraged to refer to the AESO's CADG when reviewing definitions to ensure they have an accurate understanding of those defined terms.

Request for Comment

Please use the attached Market Participant Comment Matrix when submitting comments to the AESO. Only written comments will be considered in finalizing the proposed new BAL definitions and amended BAL definitions. Market participants should ensure that comments provided represent all interests within their organization. The scope of comments is limited to the proposed new BAL definitions and amended BAL definitions. 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 **May 29, 2018** to ars_comments@aeso.ca. Adherence to deadlines is essential to the integrity of Alberta reliability standard comment process. As such, any market participant comments received after May 29, 2018 may not be published, replied to, or otherwise considered by the AESO.

The AESO publish all comments received for industry review in June, 2018. The AESO expects to publish replies to the comments with the proposed new BAL definitions and amended BAL definitions in July 2018.

¹ The blacklines of the proposed new BAL definitions were created by comparing the NERC "actual net interchange", "regulating reserve", "reporting area control error" and "scheduling net interchange" definitions and the proposed new BAL definitions. In the case of a discrepancy, the NERC defined terms or the proposed new BAL definitions, as appropriate, supersede the blackline.

If the AESO does not receive comments regarding the proposed new BAL definitions and amended BAL definitions, the AESO expects to forward the proposed new BAL definitions and amended BAL definitions to the Commission in conjunction with forwarding the proposed new BAL-001-AB-2, BAL-003-AB-1.1, and BAL-005-AB-1.

Attachments to Consultation Letter

The following document is attached:

1. [Market Participant Comment Matrix](#), which includes a blackline and clean versions of the proposed new BAL definitions and amended BAL definitions.

Sincerely,

"Maria Gray"

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Attachments