

June 28, 2018

To: Market Participants and Other Interested Parties

Re: **Alberta Electric System Operator (“AESO”) Reply to Market Participants Comments on 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”; and
 - d) “scheduled net interchange”
- (collectively referred to as the “new BAL definitions”)

On May 15, 2018, the AESO issued a [Consultation Letter](#) regarding the proposed new BAL definitions and amended BAL definitions, and requesting market participant comments on the same.

AESO Reply to Market Participant Comments

On June 21, 2018 the AESO posted [written comments](#) received regarding the proposed new BAL definitions and amended BAL definitions. The AESO’s replies to comments, including the rationale or basis for the position of the AESO that explains why certain positions were rejected or accepted, are set out in the attached Market Participant Comment and AESO Replies Matrix.

Forwarding of the Final Proposed new BAL definitions and amended BAL definitions

Pursuant to Section 19 of the *Transmission Regulation*, the AESO expects to forward the proposed new BAL definitions and amended BAL definitions to the Alberta Utilities Commission (“AUC” or “Commission”) on July 12, 2018 with the AESO’s recommendation that the Commission approve the proposed new BAL definitions and amended BAL definitions.

The new BAL definitions and amended BAL definitions are proposed to become effective in conjunction with the proposed new Alberta reliability standards BAL-001-AB-2, *Real Power Balancing Control Performance*, BAL-003-AB-1.1, *Frequency Response and Frequency Bias Setting*, and BAL-005-AB-1, *Balancing Authority Control*.

Attachments to AESO Reply Letter

The following documents are attached:

1. [Market Participant Comment and AESO Replies Matrix](#) on the proposed new BAL definitions and amended BAL definitions; and
2. [Clean copy](#) of the final proposed new BAL definitions and the amended BAL definitions.

If you have any questions, please contact the undersigned.

Sincerely,

"Melissa Mitchell-Moisson"

Melissa Mitchell-Moisson
Regulatory Coordinator
Phone: 403-539-2948
Email: melissa.mitchell-moisson@aeso.ca