

July 9, 2019

To: Market Surveillance Administrator, Market Participants and Other Interested Parties  
("Stakeholders")

Re: **Letter of Notice for Development of Proposed Amended Section 502.2 of the ISO rules,  
Bulk Transmission Line Technical Requirements ("Section 502.2")**

Pursuant to Section 4 of Alberta Utilities Commission Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission* ("Rule 17"), the Alberta Electric System Operator ("AESO") is providing notice and seeking feedback from Stakeholders on the development of amendments to Section 502.2.

### **Applicability**

The proposed amended Section 502.2 is applicable to:

- the legal owner of any bulk transmission line with a voltage equal to or greater than 100 kV; and
- the AESO.

### **Issue**

The AESO recognized an increasing trend in costs for transmission facilities and identified the opportunity to create efficiencies and drive down costs while maintaining the reliability of the system by amending Section 502.2.

### **Objectives**

The objectives of the development of amendments to Section 502.2 are to clarify the minimum requirements for the design, construction and operation of bulk transmission lines and, in some cases, reduce the minimum requirements, which will provide certain alternative options and allow more opportunity to drive down costs.

### **Background**

Over the last number of years, the Transmission Facilities Cost Monitoring Committee ("TFCMC") began asking questions regarding the requirements within the current Section 502.2 and cost implications. The AESO formed a Technical Work Group ("TWG") and engaged an independent transmission line expert to review the issues. The TWG explored opportunities to reduce costs, which are being added to projects under the requirements of the existing current Section 502.2, and to clarify technical requirements while maintaining system reliability.

In addition, the independent transmission line expert undertook a number of technical studies and produced reports which were provided to the TWG.

### **Consultation Completed to Date**

In 2014, the AESO formed the TWG. It was comprised of subject matter experts from the major transmission facility owners, an independent transmission line expert, and members of the TFCMC. The TWG met multiple times between 2014 – 2018 to explore opportunities to reduce costs and clarify

technical requirements while maintaining system reliability. Additionally, the TWG provided updates on its work to the TFCMC.

Members of the TWG included representatives from the following organizations:

- AESO;
- AltaLink Management Ltd.;
- ATCO Electric Ltd.;
- ENMAX Energy Corporation;
- EPCOR Distribution and Transmission Inc.;
- Independent expert(s);
- TFCMC; and
- Utilities Consumer Advocate.

The available redacted TWG meeting minutes are included in the related materials, itemized below.

In addition to participating in the TWG meetings, the independent transmission line expert undertook a number of technical studies and produced a set of five “S-series” reports, which were provided to the TWG for review and feedback. The S-series reports are also included in the related materials, itemized below.

### **Proposed Consultation and Timeline**

Given the volume of other ISO rules under development, the AESO currently proposes to host an in-person working group session in Q1 2020 to discuss the matters set out above. The AESO will determine further consultation steps pending the outcome of that session but anticipates such steps could include additional working group sessions, webinars, or written feedback on specific issues prior to issuing draft language for written consultation and comments pursuant to section 6.3 of Rule 017.

### **Stakeholder Comments**

Stakeholders may submit:

- (i) written comments;
- (ii) a notice of intent to participate in consultation; and
- (iii) comments on the form of consultation;

The AESO has posted, on the AESO website, the material that the AESO considers to be relevant to the development of the amendments to Section 502.2.

Please use the *Stakeholder Comment Matrix – Development of Proposed ISO Rule* when submitting comments to the AESO. Stakeholders should ensure that comments provided represent all interests within their organization.

The deadline for Stakeholders to provide comments is July 25, 2019, to [rules\\_comments@aeso.ca](mailto:rules_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 publish all Stakeholder comments, received by the deadline, on the AESO website by July 22, 2019.

### **Related Materials**

1. [Stakeholder Comment Matrix – Development of Proposed amended Section 502.2 of the ISO rules](#)
2. Redacted TWG Meeting Minutes, including:
  - (a) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2017-08-22](#)

- (b) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2017-11-22](#)
- (c) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2018-07-24](#)
- (d) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-04-29](#)
- (e) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-04-08](#)
- (f) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-12-04](#)
- (g) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2015-02-23](#)
- (h) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-02-27](#)
- (i) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2015-01-29](#)
- (j) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-07-10](#)
- (k) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-03-18](#)
- (l) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-05-22](#)
- (m) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2015-05-07](#)
- (n) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-11-13](#)
- (o) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-10-16](#)
- (p) [Section 502.2 Bulk Tx Line TWG Meeting Minutes Held 2014-09-03](#)

3. S-series Reports, including:

- (a) [S1 240 kV Galloping Study Report](#)
- (b) [S2 Loading Cost Comparison](#)
- (c) [S4 Effect of 100C Limit](#)
- (d) [S5 Basis of Weather Maps](#)
- (e) [S6 Failure Containment Report](#)

Sincerely,

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