

May 17, 2019

Dan Shield, Director, Reliability and Technical Standards
Stephen VanderZande, Lead Engineer
Ping-Kwan Keung, Manager Standards Modelling and Engineering Services
Melissa Mitchell-Moisson, Regulatory Administrator, Legal & Regulatory Affairs
Alberta Electric System Operator (AESO)
330 5 Avenue SW
Calgary, Alberta, Canada T2P-0L4

Dear sirs and madam:

RE: ISO Rule Section 502.17 (proposed) – Stakeholder Consultation

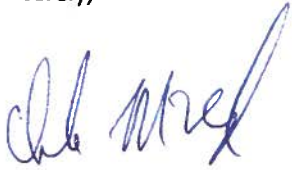
On March 19, 2019 the AESO *Issued for Stakeholder Consultation* proposed Section 502.17 of the ISO Rules, and invited stakeholders to comment. On April 18, 2019 the AESO published the comments received, together with an AESO reply to each comment. It is ATCO's opinion that the concerns identified in our comments were not adequately addressed in the AESO's replies, and that further discussion is necessary before the AESO proceeds any further with implementation of the proposed rule.

ATCO's concerns are as follows:

1. The AESO has specified "utility orderwire" as the required backup communications system for TFOs, but has declined to explain what they understand this term to include, saying only that in their opinion this is a generally understood term in Alberta. The AESO has thus delegated the task of reaching consensus on technology and architecture of the utility orderwire system to the Market Participants. The AESO has also indicated that Market Participants will be given nine months to achieve compliance. It is highly unlikely that technology selection, architecture design, interoperability design, material procurement and implementation of the utility orderwire system can be completed in nine months. It is ATCO's position that further discussion within the Telecom Working Group is necessary to reach consensus on technology selection, architecture design, and interoperability design before Section 502.17 progresses towards implementation.
2. The requirement to have the orderwire system remain operational for a minimum of 72 hours in the event of an extended power outage has the potential to require significant investment in standby generators on a short-term basis – not only to support communication to existing market participants, but also to market participants that will emerge in the future. Given that funding for such investments is secured via a two-year cycle, ATCO may have to defer other capital maintenance programs to support generator deployment. It is ATCO's position that the timelines for achieving compliance should be lengthened.

ATCO looks forward to working with the AESO and other market participants toward successful implementation of Section 502.17.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek McHugh', is positioned above the printed name.

Derek McHugh
Director, Engineering
Electricity Global Business Unit
ATCO Ltd.