

April 30, 2018

To: Alberta Utilities Commission (“AUC” or “Commission”)

Re: Amended Forwarding Notice:

- a) Proposed New Alberta reliability standards:
  1. INT-006-AB-4, *Evaluation of Interchange Transactions*;
  2. INT-009-AB-2.1, *Implementation of Interchange*; and
  3. INT-010-AB-2.1, *Interchange Initiation and Modification for Reliability*
 (collectively referred to as the ~~“new~~ INT Standards”)
- b) Retirement of existing Alberta reliability standards:
  1. INT-001-AB-3, *Interchange Information*;
  2. INT-003-AB-2, *Interchange Transaction Implementation*;
  3. INT-006-AB-2, *Response to Interchange Authority*;
  4. INT-009-AB-1, *Implementation of Interchange*; and
  5. INT-010-AB-1, *Interchange Coordination Exemptions*
 (collectively referred to as the ~~“existing~~ INT Standards”)
- c) Retirement of reliability standards previously assessed as non-applicable in Alberta:
  1. INT-004-2, *Dynamic Interchange Transaction Modifications*;
  - ~~1.2.~~ INT-005-3, *Interchange Authority Distributes Arranged Interchange*;
  - ~~2.3.~~ INT-007-1, *Interchange Confirmation*; ~~and~~
  - ~~3.4.~~ INT-008-3, *Interchange Authority Distributes Status*; ~~and~~
  5. INT-011-1, *Intra-Balancing Authority Transaction Identification*
 (collectively referred to as the ~~“non-applicable~~ INT Standards”)

The Alberta Electric System Operator (“AESO”) recommends that the Commission approve:

- (a) the adoption of the proposed new INT Standards;
- (b) the retirement of the existing INT Standards; and
- (c) the retirement of the non-applicable INT Standards,

pursuant to Section 19 of the *Transmission Regulation*.

## Background

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In June 2014, the North American Electric Reliability Corporation (“NERC”) ~~has~~ consolidated nine *Interchange*

*Scheduling and Coordination* reliability standards into five reliability standards.<sup>1</sup> Of those five reliability standards, the AESO is now proposing to adopt the following three for application in Alberta:

- INT-006-4, *Evaluation of Interchange Transactions* (“NERC INT-006-4”);
- INT-009-2.1, *Implementation of Interchange* (“NERC INT-009-2.1”); and
- INT-010-2.1, *Interchange Initiation and Modification for Reliability* (“NERC INT-010-2.1”).

The AESO previously assessed the other two of the five reliability standards, namely INT-004-3.1 and INT-011-1, as not applicable in Alberta.<sup>2</sup> The adoption of NERC INT-006-4, NERC INT-009-2.1 and NERC INT-010-2.1 for application in Alberta, result results in the retirement of ~~the~~ existing INT Standards and three of the non-applicable INT Standards: (namely, INT-005-3, INT-007-1, and INT-008-3).

The purpose of NERC INT-006-4, NERC INT-009-2.1 and NERC INT-010-2.1 Subsequent to the consolidation of the nine *Interchange Scheduling and Coordination* reliability standards referred to above, the NERC retired INT-011-1.1 in October 2015. As a result, INT-011-1 is also being proposed for retirement.

Additionally, when the AESO previously forwarded INT-004-3.1 to the Commission,<sup>3</sup> it did not request the retirement of superseded standard INT-004-2. Consequently, INT-004-2 is being proposed for retirement.

The purpose of the new INT Standards is to improve reliability by making transactions more apparent for reliability assessments and by clarifying which functional entities perform interchange authority tasks.

The AESO is proposing the adoption of the proposed new INT Standards for application in Alberta in order to:

- ensure that responsible entities conduct a reliability assessment of each arranged interchange before the interchange is implemented, as required under proposed new INT-006-AB-4, *Evaluation of Interchange Transactions* (“INT-006-AB-4”);
- ensure that balancing authorities implement the interchange as agreed upon in the interchange confirmation process, as required under proposed new INT-009-AB-21, *Interchange Initiation and Modification for Reliability*; and
- provide guidance to responsible entities for required actions on confirmed interchange or implemented interchange to address reliability, as described in proposed new INT-010-AB-2.1, *Interchange Initiation and Modification for Reliability* (“INT-010-AB-2.1”).

### Summary of Changes to NERC Standards in Proposed New INT Standards

The proposed new INT Standards were developed based on NERC INT-006-4, NERC INT-009-2.1 and NERC INT-010-2.1. The following administrative changes were made in adopting the new INT Standards for application in Alberta:

- Requirement R3.1 of NERC INT-006-4 was not included in proposed new INT-006-AB-4 as the AESO performs the function of the reliability coordinator and is the balancing authority in Alberta; and
- Requirements R2 and R3 of INT-010-AB-2.1 were modified to remove reference to the “Reliability Coordinator” and “Balancing Authority” as the AESO performs the function of the reliability coordinator and is the balancing authority in Alberta.

<sup>1</sup> [Refer to the implementation plan for NERC Project 2008-12.](#)

<sup>2</sup> See Application 21075-A001 (filed by the AESO on November 24, 2015), and Decision 21075-D01-2016, *Alberta Electric System Operator, Rejection of reliability standards MOD-021-1, MOD-028-2, MOD-030-3, PRC-012-1, PRC-013-1, PRC-014-1, INT-004.3.1, and INT-011-1* (issued January 19, 2016).

<sup>3</sup> [Ibid.](#)

## AESO Consultation

It is the AESO's view that market participants are not likely to be directly affected by the adoption of the proposed new INT Standards, and the retirement of the existing INT Standards and non-applicable INT Standards. Accordingly, no formal consultation with market participants was undertaken.<sup>4</sup>

On March 20, 2018 the AESO posted a notification in the AESO Stakeholder Newsletter informing market participants and other interested parties that it would not be consulting on the adoption of the proposed new INT Standards, and the retirement of the existing INT Standards and non-applicable INT Standards, and the AESO would forward the proposed new INT Standards, and the retirement of the existing INT Standards and non-applicable INT Standards, to the Commission on April 3, 2018.

## Proposed Effective Date

The AESO recommends that the Commission approve the proposed new INT Standards, and the retirement of the existing INT Standards and non-applicable INT Standards to become effective one full calendar quarter following approval by the Commission.

The AESO submits that the proposed new INT Standards, and the retirement of the existing INT Standards and non-applicable INT Standards comply with the requirements of the *Transmission Regulation*, are not technically deficient and are in the public interest.

## Attachments to Forwarding Notice

The following documents are attached to this Forwarding Notice:

1. [CopyCopy](#) of proposed new INT-006-AB-4;
2. [CopyCopy](#) of proposed new INT-009-AB-2.1;
3. [Copy-Copy](#) of proposed new INT-010-AB-2.1;
4. [Copy](#) of existing INT-001-AB-3;
5. [Copy](#) of existing INT-003-AB-2;
6. [Copy](#) of existing INT-006-AB-2;
7. [Copy](#) of existing INT-009-AB-1
8. [Copy](#) of existing INT-010-AB-1
9. [Copy of previously assessed as not applicable INT-004-2:](#)
- ~~9~~.10. [Copy](#) of previously assessed as not applicable INT-005-3;
- ~~10~~.11. [Copy](#) of previously assessed as not applicable INT-007-1;

<sup>4</sup> Section 19(4) of the *Transmission Regulation* states that, before adopting or making reliability standard, "the ISO must consult with those Market Participants that it considers are likely to be directly affected".

11,12. [Copy](#) of previously assessed as not applicable INT-008-3; ~~and~~

13. ~~March 20, 2018 AESO Stakeholder Newsletter~~. [Copy of previously assessed as not applicable INT-011-1](#); and

12,14. [March 20, 2018 AESO Stakeholder Newsletter](#).

If you have any questions, please contact the undersigned.

Sincerely,

*"Maria Gray"*

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Attachments