

January 23, 2019

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

Re: Forwarding Notice – New Alberta Reliability Standard Definition balancing contingency event, (“balancing contingency event”) related to new BAL-002-AB-3 Contingency Reserve for Recovery from a Balancing Contingency Event (“new BAL-002-AB-3”).

The Alberta Electric System Operator (“AESO”) recommends that the Commission approve the proposed new definition “balancing contingency event”, pursuant to Section 19 of the *Transmission Regulation*.

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 consultation and forwarding process as the Alberta reliability standards themselves.

Background

The purpose of proposed new BAL-002-AB-3 is to ensure the AESO balances resources and demand and returns the area control error to defined values, subject to applicable limits, following a reportable balancing contingency event.

The AESO is recommending the adoption of proposed new BAL-002-AB-3 to align with the North American Electric Reliability Corporation (“NERC”). The proposed new defined term “balancing contingency event” was developed in conjunction with the drafting of the proposed new BAL-002-AB-3 and was based on the NERC definitions of the same term and modified pursuant to the AESO’s drafting principles.

The proposed new defined term “balancing contingency event” is proposed for incorporation into the AESO’s [Consolidated Authoritative Document Glossary](#) (“CADG”) for use in the Alberta reliability standards.

AESO Consultation

It is the AESO’s view that market participants are not likely to be directly affected by the proposed new defined term¹ “balancing contingency event”. Accordingly, no formal consultation with market participants was undertaken.

On January 3, 2019, 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 proposed new defined term “balancing contingency event”, and would forward the proposed new defined term “balancing contingency event”, to the Commission on January 17, 2019.

Related Forwarding Notice to the Commission

On January 23, 2019, the AESO issued a Forwarding Notice to the Commission recommending the approval of the proposed new BAL-002-AB-3 and the retirement of existing BAL-002-AB-1.

¹ Section 19(4) of the *Transmission Regulation* states that, before adopting or making a reliability standard, “the ISO must consult with those Market Participants that it considers are likely to be directly affected”

Proposed Effective Date

The AESO recommends that the Commission approve the proposed new defined term “balancing contingency event” to become effective in conjunction with proposed new BAL-002-AB-3 on July 1, 2019.

The AESO submits that the proposed new defined term “balancing contingency event” complies with the requirements of the *Transmission Regulation*, is not technically deficient, and is in the public interest.

Attachments to Forwarding Notice

The following documents are attached to this Forwarding Notice:

1. Clean [copy](#) of the proposed new defined term “balancing contingency event”; and
2. January 3, 2019 [copy](#) of AESO Stakeholder Newsletter.

If you have any questions, please contact the undersigned.

Sincerely,

“Melissa Mitchell-Moisson”

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Attachments